

Exhibit E



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March 31, 2009

Bret Hanna
 Jones Waldo Holbrook & McDonough
 170 South Main St., Suite 1500
 Salt Lake City, UT 84101

Dear Mr. Hanna:

As you requested, I have calculated the present value of the economic damages in connection with the injury of Shannon Cavanaugh on December 8, 2006.

For the reasons described below, I have concluded the plaintiffs' total economic damages can be reasonably calculated to be within a range of \$1,834,024 to \$1,933,292 as of March 31, 2009, detailed as follows:

	Summary – Scenario 1	Summary – Scenario 2	Table
Past Lost Earnings	\$15,168	\$11,720	Table 1 and Table 3
Future Lost Earnings	845,844	750,024	Table 2 and Table 4
Future Medical Expenses	991,065	991,065	Table 5
Past Medical Expenses	78,280	78,280	Table 6
Gratuitous Care	2,936	2,936	Table 7
Total Economic Damages	\$1,933,292	\$1,834,024	

This calculation does not include general damages for pain and suffering or damage for loss of enjoyment of life.

I may modify or supplement my opinions in this report at a later date should additional relevant documents or information become available to me.

Background

This report is based on an assumption of liability. I have done no work to determine liability and do not expect to do any such work.

It is my understanding that Ms. Cavanaugh was born on July 23, 1982 and was injured on December 8, 2006 at the age of 24.38. At the time of her injury, Ms. Cavanaugh lived in Woods Cross, UT with her husband and daughter.



On December 8, 2006, Ms. Cavanaugh was injured during a police-related incident. The plaintiffs allege that the city failed to protect Ms. Cavanaugh by providing proper training to the officer involved in the incident and that the actions of the defendant "were a proximate cause of severe injuries and damages by Plaintiffs"¹.

More specifically, the plaintiffs claim that if Ms. Cavanaugh had not been injured in this incident, she would have been able to return to full-time employment when her daughter entered preschool.²

Overview of Conventional Method of Measuring Economic Damages

The conventional and accepted method for determining the economic loss resulting from a personal injury is to follow these steps:

- Measure the earnings that have been lost by Ms. Cavanaugh. This component of damages is measured by performing the following steps:
 - Determine the length of Ms. Cavanaugh's pre-incident worklife;
 - Determine the most reasonable career path upon which to estimate Ms. Cavanaugh's pre-incident earnings capacity;
 - Estimate the annual wages of Ms. Cavanaugh in the year after her injury;
 - Determine the pay changes that Ms. Cavanaugh would have received over her worklife;
 - Determine the fringe benefits that would have been earned by Ms. Cavanaugh.
 - Using the same steps as are used in measuring Ms. Cavanaugh's earnings capacity prior to the incident, I have measured her post incident earnings capacity.
- Determine the lost value of household services Ms. Cavanaugh would have provided had she not been injured;
- Determine the value of care gratuitously rendered on behalf of Ms. Cavanaugh as a result of the incident;
- Consider the impact of inflation on each of the above categories and convert all the above calculations to a present value amount.

¹ See Complaint p 6

² See Plaintiff Shannon Cavanaugh's Responses to First Set of Written Discovery from Defendants Daniel Davis and Woods Cross City and report of Helen Woodard, dated 03/19/2009



Determination of Lost Earnings

Determine the Length of Ms. Cavanaugh's Pre-Incident Worklife

The first step in measuring lost earnings is to determine the length of time Ms. Cavanaugh would have worked if not for her injury.

This step is more complex than merely assuming Ms. Cavanaugh would have worked until the age of 65, the normal age of retirement, or until 67, the current age at which social security benefits are paid.

The complexity lies in the fact that if Ms. Cavanaugh had not been injured she would still have faced the possibility of missing work at various times for four different reasons. The reasons are:

- First, she may have voluntarily withdrawn from the labor market, i.e. to attend school, for family contingencies, an early retirement, etc.
- Second, she may have involuntarily withdrawn from the labor market, i.e. she may have been laid off, etc.
- Third, she may have voluntarily or involuntarily worked part-time.
- Finally, before retirement Ms. Cavanaugh may have died for unrelated reasons.

In projecting Ms. Cavanaugh's lost earnings capacity, I have accounted for each of these possibilities using data sources generally relied upon by damage experts.

I have calculated Ms. Cavanaugh's expected work life using the "New Worklife Expectancy Tables Revised 2006". I performed work life calculations for a female with a high school diploma. Ms. Cavanaugh's projected work life is 27.52 years or until age 51.90.

Determine the Most Reasonable Career Path Upon Which to Estimate Ms. Cavanaugh's Pre-Incident Earnings Capacity

It is my understanding that the plaintiff is entitled to recover the lost value of earnings capacity. Generally speaking, a person finds the job that maximizes their earnings capacity. Therefore, in most instances, the historical earnings are used to project lost earnings. However, earnings capacity can be different than an individual's actual historical earnings. Common examples of people whose actual earnings are different than their earning capacity are college students or the unemployed.



According to the deposition testimony of Ms. Cavanaugh, she was planning to return to full-time employment by approximately fall of 2008 when her daughter entered preschool³.

I have been asked to calculate two scenarios of Ms. Cavanaugh's lost earnings. Scenario one assumes that Ms. Cavanaugh would have worked full time and would have continued to work part-time as a Specimen Collector for a drug testing company. Scenario two assumes that Ms. Cavanaugh would have worked full time and would not have continued to work as a Specimen Collector. I have subtracted the cost of child care from Ms. Cavanaugh's earnings in both scenarios.

I have assumed that as of September 1, 2008, Ms. Cavanaugh would have found a full-time job consistent with her past experience. The following table outlines the average hourly and annual wages for jobs in which Ms. Cavanaugh had past work experience.

Description	Average Hourly Wage	Annual Salary
Medical Assistants	\$ 10.04	\$20,883
Office Clerks, General	11.33	23,566
Telemarketers	10.42	21,674
AVERAGE (2007 Dollars)	\$ 10.60	\$22,041
Inflation Adjustment to 2008 Dollars	\$ 10.91	\$22,702

Ms. Cavanaugh stated that she intended to continue working in her current, part-time job in addition to any full-time work that she could find because of the flexibility and additional income.⁴

Additionally, I have included an offset for daycare expenses. I have assumed that she will need full-time daycare through age 6 and school age care through age 11 (See Exhibit 11 for more detail).

Estimate the Annual Wages of Ms. Cavanaugh in the Year of Her Injury

At the time of her injury, Ms. Cavanaugh's hours working as a Specimen Collector would vary week to week. She was paid contingent on how many samples she collected.⁵ Her pay ranges from \$10 to \$15 per test.⁶ She typically will collect 25 samples per month and will do large on-

³ Deposition testimony of Shannon Cavanaugh October 8, 2008 p. 12-13

⁴ Phone interview, March 20, 2009.

⁵ See deposition of Shannon Cavanaugh, dated October 8, 2008; pp. 11-13.

⁶ Phone interview, March 20, 2009.



site jobs one or two quarters a year⁷. As such, I have assumed that Ms. Cavanaugh's part-time earnings in 2008 best estimate her future part-time earnings.

Gross Earnings	Expenses	Total
\$5,552	\$1690	\$3,862

Determine the Pay Changes that Ms. Cavanaugh Would Have Received Over Her Worklife

I have used two different growth rates to estimate Ms. Cavanaugh's earnings, one for her full-time position, and one for her part-time position.

Over the course of her worklife, the typical wage earner experiences somewhat predictable changes in pay. The changes are generally a result of two factors:

- merit change, and
- inflation.

Merit Change Full-Time Earnings

Each year I have included a "merit change" in Ms. Cavanaugh's full-time income. This represents the pay adjustments that employees receive due to an increased level of work skills or variances in the number of hours they work.

Ultimately, a typical wage earner's real salary begins to decline due to the work force paying smaller and smaller pay adjustments for each year of additional experience. This can most easily be demonstrated by imagining the expected difference of abilities between a lawyer with two years work experience and a lawyer with twelve years of experience. The difference in abilities is likely to be much larger than a lawyer with twenty years of experience and one with thirty years of service. I have reflected the above by adjusting Ms. Cavanaugh's earnings each year under the column called "merit change".

My analysis calculates the merit change based on the historical experience of wage earners that are similar with respect to their levels of education, sex, and estimated years of experience. The data gathered by the US Census Bureau, shows that as a typical wage earner gains experience, their merit changes decrease. In other words, their growth in wages slows as they gain work experience.

I have determined the specific annual amounts of merit pay adjustments by analyzing data obtained from the Statistical Abstract of the United States (see Exhibit 5).

⁷ These are jobs that may involved several tests in one day with a large employer.



Impact of Inflation on Full-Time Earnings

The change in pay due to inflation represents the increase in earnings that an employer pays to compensate an employee for inflation. Thus, I have factored in a 3.00% annual growth rate to Ms. Cavanaugh's earnings, attributable to inflation, beginning from the date of this report and extending through her expected date of retirement. This inflation rate is derived from the average historical consumer price index rate (see Exhibit 2).

Taking into account merit and inflation, the average annual change in pay over Ms. Cavanaugh's lost worklife for her full-time wages is 3.99%.

Inflation of Part-Time Work

Ms. Cavanaugh is an independent contractor working as a Specimen Collector. I have assumed that her charge rates will increase with a rate consistent with the growth rate earnings in the home health care services, as provided by the Bureau of Labor Statistics. This growth rate is currently 3.4%.⁸

Determination of Ms. Cavanaugh's Fringe Benefits

Fringe benefits often represent a significant portion of an employee's compensation. Certain benefits are required by law such as, social security, unemployment, Medicaid, etc. Other benefits are offered voluntarily by the employer, including health insurance, dental insurance, pension plans, paid vacation days, paid holidays, etc.

Fringe benefits from employment that are lost due to injury or death typically represent an additional loss to the claimant. Fringe benefit information is conventionally obtained directly from the claimant's employer, a union contract, or the Department of Labor and the U.S. Chamber of Commerce.

Lost fringe benefits may be computed as a percentage of annual lost earnings.⁹ This percentage is then applied uniformly to each year in which wages were lost.

Lost fringe benefits may also be computed by determining the value lost in the year of injury or death and then applying a rate of growth over each year of worklife expectancy or life expectancy, depending on the benefit provision.

⁸ Source: Bureau of Labor Statistics; Employment, Hours and Earnings from the Current Employment Statistics Survey for the Home Health Care industry Average Hourly Earnings of Production Workers

⁹ AICPA Consulting Services Practice Aid 98-2, p 7.11 based upon U.S. Chamber of Commerce, *Employee Benefits*.



I have assumed that Ms. Cavanaugh would have benefits available to employees in either the Health Care and Social Assistance career field or the Support and Management Services career field, including payments for legally required benefits, medically related payments (including short term disability, long term disability, and insurance premiums), retirement and savings (including 401k and similar plans) and other miscellaneous benefits available to those working in these professions. According to the U.S. Chamber of Commerce, these benefits average a total of 35.20% of her annual salary (see Tables 1 and 2).

As Ms. Cavanaugh is retained as an independent contractor in her part-time position, she is responsible for the withholding of her own payroll taxes and pays for her own materials and fuel expenses. I have assumed that she has no fringe benefits for this position.

Determination of the Value of Ms. Cavanaugh's Post-Incident Earnings Stream

Next, I have calculated the amount of money Ms. Cavanaugh will likely earn despite the incident. It is important to note that Ms. Cavanaugh has returned to work in this position, and that her workload is similar to what she was carrying prior to the incident.

My analysis was performed by completing the exact same steps as I performed in measuring her pre-incident earnings. The steps are individually described in detail below:

Determination of the Length of Ms. Cavanaugh's Worklife

In projecting Ms. Cavanaugh's post-incident lost earnings capacity, I have again accounted for the possibility that Ms. Cavanaugh will still face the possibility of missing work due to voluntary withdrawal, involuntary withdrawal, part time, or unrelated injury or death.

In fact, it is not uncommon for a person that is injured to suffer a reduction in their expected work life. This may happen due to longer periods of unemployment and/or an inability to work as many hours in a week or for as long as a person without the injury. However, a shortened work life isn't reasonably expected, except for in certain injuries. Damage experts typically rely on the testimony of a medical/vocational expert to address whether the severity of the injury is one that will shorten the work life.

Because I am unaware of any such testimony, I have assumed that Ms. Cavanaugh's expected work life has not been shortened, beyond the time missed between the incident and re-entering the workforce. Thus, this factor is not different than as was discussed in the pre-incident calculation.

I have calculated Ms. Cavanaugh's expected work life using the "New Worklife Expectancy Tables Revised 2006". I performed work life calculations for a female with a high school diploma. Ms. Cavanaugh's projected work life is 27.52 years or until age 51.90.



Determination of Ms. Cavanaugh's Earnings Capacity

The following chart illustrates the work history of Ms. Cavanaugh since the incident:

Year	Start Date	End Date	Employer	Title	Net Pay
2007	Approx. 5/1/2007	12/31/2007	Blue Line Services	Specimen Collector	\$ 1,760
2007	Unknown	Unknown	Alan Thompson	Office Work	975
2008	1/1/2008	12/31/2008	Blue Line Services	Specimen Collector	\$3,862

Helen Woodard, a vocational expert, has stated in her report that "her present work situation, where she is able to set her own hours and does not work full time is likely a better long term work situation for her,"¹⁰ As such, in both scenarios I have assumed that Ms. Cavanaugh will work as a Specimen Collector through the end of her pre-incident worklife.

Determine the Pay Changes that Ms. Cavanaugh Would Receive Over Her Worklife

Impact of Inflation on Part-Time Earnings

I have made the same assumption regarding inflation that I have made in the calculation of Ms. Cavanaugh's pre-incident earnings. I have assumed that her rates would increase with a rate consistent with the growth rate earnings in the health care industry for education and health services, as provided by the Bureau of Labor Statistics. This 20-year average annual growth rate is 3.4%.¹¹

Determination of Ms. Cavanaugh's Fringe Benefits

I calculated fringe benefits in the same manner as discussed above. The calculations for post-incident fringe benefits are based upon her expected post-incident career path in her Specimen Collecting position. That is, I have assumed that she will have no fringe benefits, and will continue to be responsible for her own income withholdings, materials, and fuel expenses.

Lost Household Services

The plaintiffs have also lost the value of those household services that a person of Ms. Cavanaugh's age would have typically performed for a family such as hers. These services include such things as helping around the house with organization and child care. The life care plan of Helen Woodard has included Ms. Cavanaugh's lost household services in her life care plan and they are included in the Future Medical Expenses.

¹⁰ See report of Helen Woodard, dated March 19, 2009; pg 14

¹¹ Source: Bureau of Labor Statistics; Employment, Hours and Earnings from the Current Employment Statistics Survey for the Home Health Care Services Industry; Average Hourly Earnings of Production Workers



Medical Expenses

Past Medical Expenses

As a result of the incident, Ms. Cavanaugh incurred certain medical expenses. I have included the amount of such medical services in my damage calculation.

I have been provided with the amount of Ms. Cavanaugh's past medical expenses. The total billed amount as of February 23, 2009 is \$78,280.¹²

Future Medical Expenses

I calculated the present value of future medical services in two steps. The first step was to obtain the services that will be needed, the frequency they will be needed and their current cost, as provided in the life care plan from Helen Woodard. Next, I calculated the present value of the future medical costs by increasing the cost to account for inflation and decreasing the amount to convert it into its present value.

Future Services Needed

I have received a copy of the report prepared by Helen Woodard which assessed Ms. Cavanaugh's condition and provided a life care plan assessing future medical care requirements (see Exhibit 8).

Future Services Needed

Next, I have separated the costs of the future medical needs according to the age at which Ms. Cavanaugh will need the prescribed service and/or equipment.

Then I estimated the future costs of the needed services by inflating the cost today by the "Anticipated Medical Inflation Rate".

The "Anticipated Medical Inflation Rate" recognizes that different types of medical costs have experienced different amounts of inflation. I have used data from the Statistical Abstract of the United States (see Exhibit 6.4), which tracks the actual medical inflation rates since 1983. I estimated that medical costs would increase over the next twenty-five years at the same rate they have increased from 1983 to 2007. After the initial twenty-five year period, I have assumed that medical costs would increase at the rate of all consumer items.

¹² Per Medical Billing records, date of incident through 2/23/2009; billed amounts.



I have calculated the "Anticipated Medical Inflation Rate" by first categorizing Ms. Cavanaugh's needed services and equipment into the same medical categories that are tracked by the Bureau of Labor.

In recent years, the Bureau has created categories of medical costs that are more refined than were available in the past. The new categories allow for more specific measurement of historical inflation rates and their data was previously included in other larger categories. However, the new categories do not have a long history.

Since it is generally preferable to use a long period of historical rates to project a long period of future rates, I have estimated the long term historical inflation rate of each of the new categories, based on historical data. I was able to do this because the new categories are all subsets of previously larger categories.

I applied the medical inflation rates and discounted the future medical costs to arrive at the present value of all future medical expenses.

The present value of future medical costs is best estimated as \$991,065.

Care Gratuitously Rendered

Gratuitous care is defined as unpaid care and assistance rendered by friends and family members. The additional care rendered is required because of the injury. As discussed in the AICPA consulting services practice aid, the following are conventionally acceptable bases for estimating the value of the lost hours:

- *Replacement cost.* The loss is based on the cost to hire someone to perform the services the claimant can no longer perform. The actual amounts spent during the past economic-loss period are combined with the amounts expected to be expended over the future economic loss period to determine the total loss of household services due to the injury.
- *Opportunity cost.* An individual may voluntarily spend time performing household services, as opposed to obtaining outside employment on behalf of the decedent. The time to perform the household services is considered a compensable opportunity cost, and an estimate is made of the dollar value associated with this opportunity cost.¹³

¹³ AICPA Consulting Services Practice Aid 98-2, p 7.18



I have estimated the value of the care gratuitously rendered using the replacement cost approach. This approach is appropriate because the care provided was done so in a way that did not cause the providers to suffer a reduction in their own pay.

I estimated the replacement cost using an hourly rate of \$6.62 for child care services.¹⁴ For medical related services, I used an hourly rate of \$8.67,¹⁵ the hourly rate paid to inexperienced nursing aides, orderlies, and attendants in the Salt Lake City area.

During the 3.5 weeks following her surgery, Ms. Cavanaugh stayed with her mother. During this time, her mother provided nursing assistance and daycare services by caring for Ms. Cavanaugh's incision and medical needs and tending for her child. Ms. Cavanaugh received gratuitous care as follows:

Number of Hours, per day	Rate	Number of Days	Total
8	\$8.67	24	\$1,665
8	\$6.62	24	1,271
TOTAL			\$2,936

The total value of gratuitous care provided to Ms. Cavanaugh is \$2,936 (Table 7).

Conversion to Present Value

The economic damages calculated above represent the earnings that the estate of Ms. Cavanaugh has lost and will lose as a result of her injury. It is appropriate to discount such benefits to an equivalent amount stated in today's dollars. I have used a discount rate of 3.70%, based on the average one year T-Bill rate from 1926 through 2007 (Exhibit 1).

We have enclosed a copy of all supporting schedules used during the preparation of our report. If you have any questions please call me at (801) 321-6334.

Very truly yours,

A handwritten signature in black ink, appearing to read "Richard S. Hoffman", is written over a horizontal line.

Richard S. Hoffman CPA / ABV

¹⁴ Source: Utah Occupational Report for Child Care Workers;
<http://jobs.utah.gov/jsp/wi/utalmis/oidoreport.do?soccode=399011>

¹⁵ Source: Utah Occupational Report for Nursing Aides, Orderlies, and Attendants;
<http://jobs.utah.gov/jsp/wi/utalmis/oidoreport.do?soccode=311012>



Discount Rate = 3.70% (Exhibit 1)

Discount Rate = 3.70% (Exhibit 1)															
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
(A) - (B)		(C) - (D)		(E)	(F)	(G)	(H)	(I)	(J) - (E) + (F) * Prior Yr. CNA Annual Earnings	(K) - (H) * 35.2%	(L) - (I) + (F) * Prior Yr. Annual Earnings	(M) - (L) * 0.0%	(N) - (J) + (K) - (L) - (M)	(O)	(P)
Notes in Exhibit 7															
See Note 1				See Note 2		See Note 3		See Exhibit 9		See Note 4		See Note 5		See Note 6	
See Note 1				See Note 2		See Note 3		See Exhibit 9		See Note 4		See Note 5		See Note 6	
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3.70% (Exhibit 1)

[illegible]

Lane Peak Valuation Group
Shannon Cavanaugh
Present Value of Future Lost Earnings - Scenario 1
03/31/09

Table 2

Discount Rate = 3.70% (Exhibit 1)													
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
(A) - (B)													
Beginning Date	End Date	Days	Age	Merit Increase	CPI Increase	Specimen Collector Earnings	Full-time Earnings	Daycare Costs	Annual Earnings	Fringe Benefits	Mitigating Earnings	Mitigating Benefits	Total Lost Earnings
03/31/09	12/31/2009	276	27.4	2.61%	3.00%	\$3,018	\$18,129	(\$4,272)	\$16,857	\$6,381	\$3,018	\$0	20,238
01/01/10	12/31/10	365	28.4	2.43%	3.00%	\$4,126	\$25,276	(\$5,911)	\$23,491	\$8,897	\$4,126	\$0	28,262
01/01/11	12/31/11	365	29.4	2.26%	3.00%	\$4,265	\$26,604	(\$5,392)	\$25,477	\$9,365	\$4,265	\$0	30,577
01/01/12	12/31/12	366	30.4	2.10%	3.00%	\$4,408	\$27,960	(\$3,983)	\$28,385	\$9,842	\$4,408	\$0	33,819
01/01/13	12/31/13	365	31.4	1.94%	3.00%	\$4,556	\$29,342	(\$4,167)	\$29,342	\$10,328	\$4,556	\$0	35,504
01/01/14	12/31/14	365	32.4	1.80%	3.00%	\$4,709	\$30,751	(\$4,360)	\$31,101	\$10,824	\$4,709	\$0	37,216
01/01/15	12/31/15	365	33.4	1.67%	3.00%	\$4,868	\$32,186	(\$4,562)	\$32,492	\$11,330	\$4,868	\$0	38,954
01/01/16	12/31/16	366	34.4	1.54%	3.00%	\$5,031	\$33,646	(\$4,772)	\$33,905	\$11,844	\$5,031	\$0	40,717
01/01/17	12/31/17	365	35.4	1.41%	3.00%	\$5,200	\$35,131	(\$4,16)	\$39,915	\$12,366	\$5,200	\$0	42,537
01/01/18	12/31/18	365	36.4	1.29%	3.00%	\$5,375	\$36,640	\$0	\$42,015	\$12,897	\$5,375	\$0	44,337
01/01/19	12/31/19	365	37.4	1.18%	3.00%	\$5,556	\$38,171	\$0	\$43,727	\$13,436	\$5,556	\$0	46,107
01/01/20	12/31/20	366	38.4	1.07%	3.00%	\$5,742	\$39,724	\$0	\$45,467	\$13,983	\$5,742	\$0	47,907
01/01/21	12/31/21	365	39.4	0.96%	3.00%	\$5,935	\$41,298	\$0	\$47,233	\$14,537	\$5,935	\$0	49,738
01/01/22	12/31/22	365	40.4	0.86%	3.00%	\$6,135	\$42,891	\$0	\$49,026	\$15,098	\$6,135	\$0	51,599
01/01/23	12/31/23	365	41.4	0.76%	3.00%	\$6,341	\$44,502	\$0	\$50,844	\$15,665	\$6,341	\$0	53,487
01/01/24	12/31/24	366	42.4	0.66%	3.00%	\$6,554	\$46,130	\$0	\$52,684	\$16,238	\$6,554	\$0	55,392
01/01/25	12/31/25	365	43.4	0.56%	3.00%	\$6,775	\$47,773	\$0	\$54,547	\$16,816	\$6,775	\$0	57,313
01/01/26	12/31/26	365	44.4	0.47%	3.00%	\$7,002	\$49,428	\$0	\$56,430	\$17,399	\$7,002	\$0	59,257
01/01/27	12/31/27	365	45.4	0.37%	3.00%	\$7,238	\$51,094	\$0	\$58,332	\$17,985	\$7,238	\$0	61,217
01/01/28	12/31/28	366	46.4	0.28%	3.00%	\$7,481	\$52,769	\$0	\$60,250	\$18,575	\$7,481	\$0	63,191
01/01/29	12/31/29	365	47.4	0.19%	3.00%	\$7,732	\$54,451	\$0	\$62,183	\$19,167	\$7,732	\$0	65,178
01/01/30	12/31/30	365	48.4	0.10%	3.00%	\$7,992	\$56,136	\$0	\$64,128	\$19,760	\$7,992	\$0	67,176
01/01/31	12/31/31	365	49.4	0.00%	3.00%	\$8,261	\$57,823	\$0	\$66,083	\$20,354	\$8,261	\$0	69,183
01/01/32	12/31/32	366	50.4	-0.09%	3.00%	\$8,539	\$59,507	\$0	\$68,046	\$20,946	\$8,539	\$0	71,196
01/01/33	12/31/33	365	51.4	-0.18%	3.00%	\$8,826	\$61,186	\$0	\$70,012	\$21,538	\$8,826	\$0	73,214
01/01/34	06/16/34	167	51.9	-0.18%	3.00%	\$4,186	\$28,867	\$0	\$33,052	\$10,161	\$4,186	\$0	39,028
													Future Lost Earnings
													\$845,844

Notes in Exhibit 7

See Note 1

See Note 2

See Note 3

See Note 4

See Note 5

See Note 6

See Note 7

Lone Peak Valuation Group
Shannon Cavanaugh
Present Value of Future Lost Earnings - Scenario 2
03/31/09

Table 4

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
Beginning Date	End Date	Days	Age	Merit Increase	CPI Increase	Full-time Earnings	Daycare Costs	Annual Earnings	Fringe Benefits	Mitigating Earnings	Mitigating Fringe Benefits	Total Lost Earnings	Discount Period	Present Value Amount
03/31/09	12/31/2009	276	27.4	2.61%	3.00%	\$18,129	(\$4,272)	\$13,857	\$6,381	\$3,018	\$0	17,220	0.38	\$16,984
01/01/10	12/31/10	365	28.4	2.43%	3.00%	\$26,276	(\$5,911)	\$19,365	\$8,897	\$4,126	\$0	24,136	1.25	\$23,064
01/01/11	12/31/11	365	29.4	2.26%	3.00%	\$26,604	(\$5,392)	\$21,212	\$9,365	\$4,265	\$0	26,312	2.25	\$24,247
01/01/12	12/31/12	366	30.4	2.10%	3.00%	\$27,960	(\$5,983)	\$23,977	\$9,842	\$4,408	\$0	29,411	3.25	\$26,135
01/01/13	12/31/13	365	31.4	1.94%	3.00%	\$29,342	(\$4,167)	\$25,175	\$10,328	\$4,556	\$0	30,947	4.25	\$26,519
01/01/14	12/31/14	365	32.4	1.80%	3.00%	\$30,751	(\$4,360)	\$26,391	\$10,824	\$4,709	\$0	32,507	5.25	\$26,862
01/01/15	12/31/15	365	33.4	1.67%	3.00%	\$32,186	(\$4,562)	\$27,625	\$11,330	\$4,868	\$0	34,087	6.25	\$27,162
01/01/16	12/31/16	366	34.4	1.54%	3.00%	\$33,646	(\$4,772)	\$28,874	\$11,844	\$5,031	\$0	35,686	7.25	\$27,422
01/01/17	12/31/17	365	35.4	1.41%	3.00%	\$35,131	(\$4,16)	\$34,715	\$12,366	\$5,200	\$0	41,881	8.25	\$31,034
01/01/18	12/31/18	365	36.4	1.29%	3.00%	\$36,640	\$0	\$36,640	\$12,897	\$5,375	\$0	44,162	9.25	\$31,557
01/01/19	12/31/19	365	37.4	1.18%	3.00%	\$38,171	\$0	\$38,171	\$13,436	\$5,556	\$0	46,051	10.25	\$31,733
01/01/20	12/31/20	366	38.4	1.07%	3.00%	\$39,724	\$0	\$39,724	\$13,983	\$5,742	\$0	47,965	11.25	\$31,872
01/01/21	12/31/21	365	39.4	0.96%	3.00%	\$41,298	\$0	\$41,298	\$14,537	\$5,935	\$0	49,899	12.25	\$31,975
01/01/22	12/31/22	365	40.4	0.86%	3.00%	\$42,891	\$0	\$42,891	\$15,098	\$6,135	\$0	51,854	13.25	\$32,042
01/01/23	12/31/23	365	41.4	0.76%	3.00%	\$44,502	\$0	\$44,502	\$15,665	\$6,341	\$0	53,826	14.25	\$32,073
01/01/24	12/31/24	366	42.4	0.66%	3.00%	\$46,130	\$0	\$46,130	\$16,238	\$6,554	\$0	55,814	15.25	\$32,071
01/01/25	12/31/25	365	43.4	0.56%	3.00%	\$47,773	\$0	\$47,773	\$16,816	\$6,775	\$0	57,814	16.25	\$32,035
01/01/26	12/31/26	365	44.4	0.47%	3.00%	\$49,428	\$0	\$49,428	\$17,399	\$7,002	\$0	59,824	17.25	\$31,966
01/01/27	12/31/27	365	45.4	0.37%	3.00%	\$51,094	\$0	\$51,094	\$17,985	\$7,238	\$0	61,842	18.25	\$31,865
01/01/28	12/31/28	366	46.4	0.28%	3.00%	\$52,769	\$0	\$52,769	\$18,575	\$7,481	\$0	63,863	19.25	\$31,733
01/01/29	12/31/29	365	47.4	0.19%	3.00%	\$54,451	\$0	\$54,451	\$19,167	\$7,732	\$0	65,885	20.25	\$31,570
01/01/30	12/31/30	365	48.4	0.10%	3.00%	\$56,136	\$0	\$56,136	\$19,760	\$7,992	\$0	67,904	21.25	\$31,376
01/01/31	12/31/31	365	49.4	0.00%	3.00%	\$57,823	\$0	\$57,823	\$20,354	\$8,261	\$0	69,915	22.25	\$31,153
01/01/32	12/31/32	366	50.4	-0.09%	3.00%	\$59,507	\$0	\$59,507	\$20,946	\$8,539	\$0	71,915	23.25	\$30,900
01/01/33	12/31/33	365	51.4	-0.18%	3.00%	\$61,186	\$0	\$61,186	\$21,538	\$8,826	\$0	73,898	24.25	\$30,620
01/01/34	06/16/34	167	51.9	-0.18%	3.00%	\$28,867	\$0	\$28,867	\$10,161	\$4,186	\$0	34,842	24.99	\$14,054

Future Lost Earnings \$750,024

Shannon Cavanaugh
Medical Expense Summary
3/31/2009

Table 5

Expense Category	Total Expense
Prescription	\$494,695
CPI Rate	\$349,652
Services by Other Med Prof	\$93,787
Non-prescription Med Eq	\$19,034

Total Future Medical Costs	\$991,065
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Lone Peak Valuation Group

Shannon Cavanaugh

Summary of Past Medical Expenses

03/31/09

Table 6

Past Medical Expenses, as of February 23, 2009:

\$78,279.67

Source: "Medical Billing Records Shannon Cavanaugh"

Lone Peak Valuation Group
Shannon Cavanaugh
Gratuitous Care Calculation
03/31/09

Table 7

Date of Incident: 12/8/2006
 Hospital Stay 9 days
 Discharge date 12/17/2006

Nursing Care

8 Hours Care, daily	8 (A)
Hourly rate, Nursing Care ¹	\$8.67 (B)
24 Days	24 (C)
TOTAL	<u>\$1,664.64 (A)*(B)*(C)</u>

Child Care

8 Hours Care, daily	8 (D)
Hourly rate, Child Care, Utah ²	\$6.62 (E)
24 days	24 (F)
TOTAL	<u>\$1,271.04 (D)*(E)*(F)</u>

Total Gratuitous Care, 3.5 weeks following surgery:	<u><u>\$2,936</u></u>
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1 - Source: Utah Occupational Report for Nursing Aides, Orderlies, and Attendants;
<http://jobs.utah.gov/jsp/wi/utalmis/oidoreport.do?soccode=311012>

2 - Source: Utah Occupational Report for Child Care Workers;
<http://jobs.utah.gov/jsp/wi/utalmis/oidoreport.do?soccode=399011>

RICK S. HOFFMAN, CPA/ABV

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Salt Lake City, Utah
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Fax. (801) 708-7701
Email: Rhoffman@lonepeakvaluation.com

Mr. Hoffman has over fifteen years of experience in public accounting and consulting. He has been primarily involved with calculating damages related to commercial litigation. He has also spent considerable time performing valuations inside and outside of the litigation arena, with particular emphasis in the valuation of intellectual property. Mr. Hoffman is a Certified Public Accountant, Accredited in Business Valuation and has over 140 hours of additional training in the areas of valuation, litigation, and lost profit calculations. He regularly teaches on the subject of damages and has testified in state court, Federal court, Arbitrations, acted as Special Master and has been a court appointed expert.

EMPLOYMENT HISTORY

April 2008 to Present	Partner Lone Peak Valuation Group Salt Lake City, UT Litigation/Consulting Services
December 2000 to April 2008	Managing Director LECG, LLC Salt Lake City, UT Litigation/Consulting Services
September 1992 to November 2000	Director PricewaterhouseCoopers LLP Salt Lake City, Utah Litigation/Consulting Services
September 1989 to August 1992	Sr. Associate Arthur Andersen & CO

EDUCATION & CREDENTIALS

Certified Public Accountant, Accredited in Business Valuations
Adjunct Professor – University of Utah (2002)
Co-Instructor NACVA – Valuation of Intellectual Property Damages
Southwest Texas State University, San Marcos, Texas

BA Accounting, 1989 (Magna Cum Laude)

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants
American Society of Appraisers (1999-2000)
Association of Investment Management Research (1998-2000)
Games Development Association – Patent Committee (2000-2001)
National Association of Certified Valuation Analysts (1999-present)
National Litigation Certification Board – NACVA (2000-2001)
National Litigation Review Board (2005 – 2006)
Board member of NACVA (2005 – 2006)
Management Advisory Council of LECG, LLC 2005
Editorial Advisory Board for National Litigation Consultants 2005-2006
Board member of Journal of Business Valuation (2006 – present)

SPEECHES, ARTICLES, AND BOOKS

“Financial Discovery”, Utah Bar Association, August 2006

“Improving the Rigor of Your Market Approach”, National Litigation Consultants Review, Feature Article, February 2006

“Keeping Track of Your Experience”, National Litigation Consultants Review, Feature Article, November 2005

“Valuing Intellectual Property and Other Intangible Assets”, Business Valuation Resources, LLC, Telephone Conference, June 2005

“Value of Intellectual Property Damage Calculation”, National Association of Certified Valuation Analysts, Las Vegas, Nevada, November 2004

“Value of Intellectual Property Damage Calculation”, National Association of Certified Valuation Analysts, Salt Lake City, Utah, October 2004

“Intellectual Property Damages: Guidelines and Analysis, 2004 Supplement”, Wiley Publications, November 2004

“Valuation in Context of a Merger”, Kennesaw State University, February 2004.

“Valuing Start Up Technology Companies”, National Internal Revenue Service, September 2003

“Corporate Analysis of Intellectual Property”, Executive MBA Program, University of Utah, June 2003

"Value of Intellectual Property", National Association of Certified Valuation Analysts, New York, New York, June 2003

"Intellectual Property Damages: Guidelines and Analysis", Wiley Publications, November 2002

"Valuing Patents that are Not Generating Sales", The RMA Journal, May 2002

"An Introduction to Valuing Intellectual Property", The RMA Journal, May 2002

"How Intellectual Property Influences Your Existing Loans", The RMA Journal, April 2002

"Intellectual Property Valuation", American Institute of Certified Public Accountants, National Valuation Conference, December 2001

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Chicago, Illinois, December 2001

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Washington D.C., November 2001

"Reasonable Royalty Calculation", Valuation Examiner, Summer 2001

"Calculating Damages in Intellectual Property Cases", National Association of Certified Valuation Analysts, November 2001

"Intellectual Property Section", Utah State Bar, September 2000

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Dallas, Texas, May 2000

"Valuing Intellectual Property", Guest Lecturer, University of Utah, February 2000

"Patent Damages", Utah Bar Association, April 1999

"Performing Business Valuations", Guest Lecturer, University of Utah, October 1998 & February 1999

"Maximizing the Value of Intellectual Property", Law and Economic Society, January 1999

"Business Valuations", Utah Bar Association, July 1998

"Calculating Personal Injury Damages", Young Lawyers Association, November 1997

"Calculating Personal Injury Damages", Utah Bar Association, July 1997

PRIOR TESTIMONY EXPERIENCE

Caroderm vs. NuSkin
Deposition and Trial
3rd District Court of Utah

**Allan Ray Thurston vs. Smith's Food &
Drug Centers, Inc.**
Deposition
3rd District Court of Utah

**Sunnyside vs. First American Title
Insurance Company**
Deposition and Trial
Federal Court, Utah

SRECO Flexible, Inc. vs. Sewer Equipment
Deposition and Trial
Federal Court, Utah

**Gold Cross Services, Inc. vs.
West Valley City**
Deposition and Trial
3rd District Court of Utah

Voitanik vs. Voitanik
Deposition and Trial
3rd District Court of Utah

Clearone vs. Lumberman's Casualty
Deposition
Federal Court, Utah

MicroAge vs. Access Systems
Deposition
3rd District Court of Utah

Ivan Radman vs. Flanders
Trial
3rd District Court of Utah

**Canopy Corporation and David E. Jorgensen
vs. Symantec Corporation**
Deposition and Trial
Federal Court, Utah

Tademy vs. Union Pacific Railroad Corp.
Deposition
3rd District Court of Utah

Pisciotta vs. Pisciotta
Deposition
Federal Court, Utah

Egbert vs. Nissan of North America
Deposition
3rd District Court of Utah

Amanda Kropf vs. Michael Williams, M.D.
Deposition
Federal Court, Utah

**Steven Sommer and Diana Sommer vs.
Steven Gange**
Deposition
3rd District Court of Utah

Gorringer vs. G. Remington Brooks, M.D.
Deposition
3rd District Court of Utah

Ebbert vs. Harris Research
Deposition
Federal Court, Utah

Boyd vs. Durham, Jones, & Pinegar
Trial
Federal Court, Utah

Microsoft vs. MBC Enterprises
Trial
Federal Court, Utah

Vantage Controls vs. Lutron Electronics
Deposition
Federal Court, Utah

**Help U Sell vs. RIS Montana,
Washington, et. al.**
Arbitration
Phoenix, Arizona

Levi Foot vs. Mountainstar Healthcare
Deposition
4th District Court of Utah

**Alejandro Castaneda and Alda Cortez
vs. USA**
Deposition
3rd District Court of Utah

**Graymount Western US, Inc. vs. Sunnyside
Cogeneration Associates**
Deposition
4th District Court of Utah

**Owner Operator Independent Drivers
Association, Inc. vs. CR England, Inc.**
Deposition and Trial
Federal Court, Utah

**Associated Food Stores, Inc. and Michael T.
Tremayne vs. Marianne Furniss, Daniel
Wollschlager, and Janet Wollschlager**
Deposition
3rd District Court of Utah

Steve Sommer vs. Steven Gange
Trial
3rd District Court of Utah

**Ronald Russo vs. Ballard Medical and
Kimberly Clark**
Deposition and Trial
Federal Court, Utah

Exotic Imports vs. Lamborghini
Deposition
3rd District Court of Utah

Hope Carlton Levin vs. Robert Levin
Trial
3rd District Court of Utah

Farm Bureau vs. American National Insurance, Co.
Deposition
3rd District Court of Utah

Felix Alba vs. Malvern Instruments, LTD
Arbitration
3rd District Court of Utah

SliceX, Inc. vs. Aeroflex Colorado Springs, Inc.
Deposition
District Court of Utah, Central Division

Monte Faulkner vs. Maclean Engineering and Marketing Company, LTD
Deposition
Nevada District Court

Coverstar, Inc. vs. Cooley, Inc.
Deposition
3rd District Court of Utah

Margaret A. Randall vs. Smith's Food & Drug Centers, Inc.
Trial
Federal Court of Wyoming

Hi-Tech vs. Bombardier
Trial
Federal Court, Montana

Cliff R. Morain vs. Espenschied Transportation and Jason E. Best
Deposition

SliceX, Inc. vs. Aeroflex Colorado Springs, Inc.
Trial
Federal Court, Utah

William Borghetti, et. al. vs. System and Computer Technology, Inc. et. al.
Deposition
3rd District Court of Utah

Engineered Structures vs. Merrik Young
Deposition
3rd District Court of Utah

Brenda Holt vs. Cameron S. Williams, M.D.
Deposition
7th District Court of Utah

Albion International, Inc. vs. Xanodyne Pharmaceutical Corporation
Arbitration
Salt Lake City, Utah

Taylor Electric vs. Copper Mountain
Trial
3rd District Court, West Jordan

Tony Bruderer vs. PacificCorp

Deposition

District Court of Idaho

SunCrest vs. Micron

Deposition

3rd District Court of Utah

Kuist vs. Richard Hodge

Deposition

Superior Court of Los Angeles, California

**Columbia Sportswear North American, Inc.
vs. Cerf Brothers Bag Co.**

Deposition

District Court of Oregon

**White Family Harmony Investment, LTD
vs. Transwestern West Valley, LLC**

Deposition

3rd District Court of Utah

Chad C. Beck vs. Allstate Insurance Company

Arbitration

Salt Lake City, Utah

Hinkley Dodge vs. Chrysler Corporation

Arbitration

Salt Lake City, Utah

**Leon Ernest "Lonnie" Paulos vs. Jeanne
Anne Paulos**

Trial

3rd District Court of Utah

**Portico Development vs. Bodell
Construction**

Trial

3rd District Court of Utah

Clearone vs. Wideband

Deposition

Federal Court, Utah

Eckardt vs. Gold Cross

Deposition

3rd District Court of Utah

Burr vs. Eye Institute

Deposition

3rd District Court of Utah

**Jerry D. Weeks and Robin Ambrose Weeks
vs. Mark F. Rogers and Amy Denton**

Trial

4th District Court of Utah

ACTI vs. My Comfort

Trial

3rd District Court of Utah

**Farm Bureau vs. American National
Insurance Company**

Trial

Federal Court, UT

Doctorman vs. Golub

Deposition and Trial

3rd District Court of Utah

Kulbir Walia vs. Harris Research, Inc.

Trial
3rd District Court of Utah

Wardell vs. Clyde

Deposition
3rd District Court of Utah

1-800-CONTACTS vs. LENS.COM

Deposition
Federal Court, UT

**Donald and Tamaron Cole vs. Lynn Hines
And Swift Transportation Company, Inc.**

Deposition
3rd District Court of Utah

**Turner Gas Company vs. Mark A. Harris
and Kamps Company**

Deposition
3rd District Court of Utah

**ClearOne Communications, Inc. vs.
Andrew Chaing, Jun Yang, Lonny
Bowers, Wideband Solutions, Inc., and
Biamp Systems Corporation**

Trial
Federal Court, UT

Praise – Kutchera vs. USANA

Arbitration
Salt Lake City, UT

East vs. West Jordan School District

Arbitration
Salt Lake City, UT

**Tim Schmanski and Maria Schmanski,
individually and on behalf of their
minor children, Tori Schmanski and
Whitney Schmanski**

Deposition
4th District Court of Utah

Marquardt vs. Marquardt

Trial
3rd District Court of Utah

Rate Schedule:

Rick Hoffman: \$320 per hour

Roger Smith: \$250 per hour

Staff: \$200 - \$65 per hour

Exhibit 1

Lone Peak Valuation Group

Shannon Cavanaugh

Discount Rate Calculation

03/31/09

Exhibit 1

Average	3.70%
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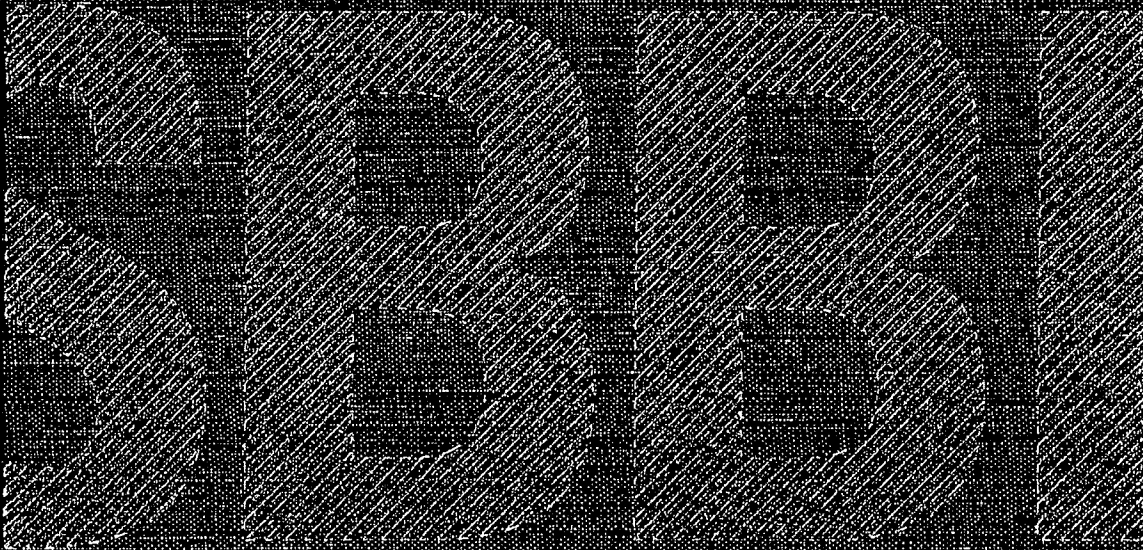
The average discount rate is based on the US Treasury Bills Total returns from the beginning of 1926 to the end of 2007.

Source: SBBI 2008 Yearbook, Ibbotson Associates, Table C-6, Page 324-329.

Ibbotson®SBBI®

2008 Classic Yearbook

**Market Results for
Stocks, Bonds, Bills, and Inflation
1926-2007**



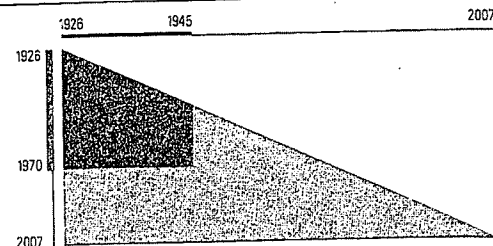
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Table C-6 (page 1 of 6)

U.S. Treasury Bills Total Returns

Rates of Return for all holding periods

Percent per annum compounded annually



from 1926 to 2007

To the end of	From the beginning of			1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
	1926	1927	1928																	
1926	3.3																			
1927	3.2	3.1																		
1928	3.3	3.3	3.6																	
1929	3.7	3.8	4.2	4.7																
1930	3.4	3.5	3.6	3.6	2.4															
1931	3.0	3.0	2.9	2.7	1.7	1.1														
1932	2.7	2.6	2.5	2.3	1.5	1.0	1.0													
1933	2.4	2.3	2.2	1.9	1.2	0.8	0.6	0.3												
1934	2.2	2.0	1.9	1.6	1.0	0.6	0.5	0.2	0.2											
1935	2.0	1.8	1.7	1.4	0.8	0.5	0.4	0.2	0.2	0.2										
1936	1.8	1.7	1.5	1.2	0.7	0.5	0.4	0.2	0.2	0.2	0.2									
1937	1.7	1.5	1.4	1.1	0.7	0.4	0.3	0.2	0.2	0.2	0.2	0.3								
1938	1.5	1.4	1.2	1.0	0.6	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.0							
1939	1.4	1.3	1.1	0.9	0.6	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.0	0.0						
1940	1.3	1.2	1.1	0.9	0.5	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0					
1941	1.3	1.1	1.0	0.8	0.5	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1				
1942	1.2	1.1	0.9	0.8	0.5	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3			
1943	1.2	1.0	0.9	0.7	0.4	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3		
1944	1.1	1.0	0.9	0.7	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.3	0.3	0.3	
1945	1.1	1.0	0.8	0.7	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
1946	1.0	0.9	0.8	0.7	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.4
1947	1.0	0.9	0.8	0.7	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.5
1948	1.0	0.9	0.8	0.7	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6
1949	1.0	0.9	0.8	0.7	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.7	0.7
1950	1.0	0.9	0.8	0.7	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.6	0.6	0.7	0.8	0.8
1951	1.0	0.9	0.9	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.9
1952	1.1	1.0	0.9	0.8	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.8	0.8	0.9	1.0
1953	1.1	1.0	0.9	0.8	0.7	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.9	0.9	1.0
1954	1.1	1.0	0.9	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	1.0	1.1
1955	1.1	1.0	0.9	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.9	1.0	1.1	1.2
1956	1.1	1.1	1.0	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.1	1.2	1.3
1957	1.2	1.1	1.1	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.1	1.2	1.3	1.4
1958	1.2	1.1	1.1	1.0	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.3	1.4	1.5
1959	1.3	1.2	1.1	1.1	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.3	1.4	1.5	1.6
1960	1.3	1.2	1.2	1.1	1.0	1.0	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.3	1.4	1.5	1.6	1.7
1961	1.3	1.3	1.2	1.1	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.7
1962	1.4	1.3	1.3	1.2	1.1	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8
1963	1.4	1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.9
1964	1.5	1.4	1.4	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.5	1.6	1.7	1.8	1.9	2.0
1965	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.8	1.9	2.0
1966	1.6	1.6	1.5	1.5	1.4	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.7	1.8	1.9	2.0	2.1
1967	1.7	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.7	1.8	1.8	1.9	2.0	2.1	2.2
1968	1.7	1.7	1.7	1.6	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.9	2.0	2.1	2.2	2.3	2.4
1969	1.8	1.8	1.8	1.7	1.7	1.6	1.7	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6
1970	2.0	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.9	1.9	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.6

Rates of Return: All Yearly Holding Periods

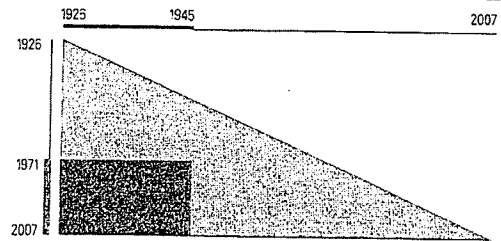
Table C-6 (page 2 of 6)

U.S. Treasury Bills Total Returns

Rates of Return for all holding periods

Percent per annum compounded annually

from 1926 to 2007



To the end of	From the beginning of	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
1971	2.0	2.0	1.9	1.9	1.8	1.8	1.9	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.6	2.6
1972	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.5	2.6	2.7
1973	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.5	2.6	2.7	2.7	2.8	2.8
1974	2.3	2.2	2.2	2.2	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.6	2.7	2.7	2.8	2.9	3.0	3.0
1975	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.7	2.8	2.8	2.9	3.0	3.1	3.1
1976	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.7	2.7	2.8	2.9	3.0	3.1	3.1	3.1
1977	2.4	2.4	2.4	2.4	2.3	2.3	2.4	2.4	2.4	2.5	2.5	2.6	2.7	2.7	2.8	2.9	3.0	3.0	3.1	3.2	3.2
1978	2.5	2.5	2.5	2.5	2.4	2.4	2.5	2.5	2.5	2.6	2.6	2.7	2.8	2.8	2.9	3.0	3.1	3.1	3.2	3.3	3.3
1979	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.7	2.7	2.8	2.8	2.9	2.9	3.0	3.1	3.2	3.3	3.3	3.4	3.5	3.5
1980	2.8	2.8	2.8	2.8	2.7	2.7	2.8	2.8	2.9	2.9	3.0	3.1	3.1	3.2	3.3	3.4	3.5	3.5	3.6	3.7	3.7
1981	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.2	3.2	3.3	3.4	3.5	3.5	3.6	3.7	3.8	3.9	4.0	4.0
1982	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.3	3.3	3.4	3.5	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.2
1983	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.4	3.4	3.5	3.6	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.3
1984	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.5	3.6	3.6	3.7	3.8	3.9	3.9	4.0	4.1	4.2	4.3	4.4	4.4
1985	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.6	3.6	3.7	3.8	3.9	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.5
1986	3.5	3.5	3.5	3.5	3.4	3.5	3.5	3.6	3.6	3.7	3.8	3.8	3.9	4.0	4.1	4.2	4.3	4.3	4.4	4.5	4.5
1987	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.7	3.8	3.9	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.6	4.6
1988	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.7	3.8	3.8	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.5	4.6	4.6
1989	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.8	3.8	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.7
1990	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.8
1991	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.1	4.2	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.8
1992	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.7	4.7
1993	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.4	4.5	4.6	4.7	4.7
1994	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.4	4.5	4.6	4.7	4.7
1995	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.5	4.5	4.6	4.7	4.7
1996	3.7	3.7	3.8	3.8	3.7	3.8	3.8	3.8	3.9	4.0	4.0	4.1	4.2	4.2	4.3	4.4	4.5	4.5	4.6	4.7	4.7
1997	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.1	4.1	4.2	4.3	4.3	4.4	4.5	4.6	4.6	4.7	4.7
1998	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.1	4.1	4.2	4.3	4.3	4.4	4.5	4.6	4.6	4.7	4.7
1999	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.2	4.3	4.3	4.4	4.5	4.6	4.6	4.7	4.7
2000	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.2	4.2	4.3	4.4	4.5	4.6	4.6	4.7	4.7	4.7
2001	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.2	4.2	4.3	4.4	4.5	4.6	4.7	4.7	4.7	4.7
2002	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	3.9	4.0	4.1	4.1	4.2	4.2	4.3	4.4	4.5	4.5	4.6	4.7	4.7
2003	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.2	4.3	4.3	4.4	4.5	4.5	4.6	4.6
2004	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.2	4.2	4.3	4.4	4.4	4.5	4.6	4.6
2005	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.2	4.3	4.3	4.4	4.5	4.5	4.5
2006	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.2	4.3	4.3	4.4	4.5	4.5	4.5
2007	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.2	4.2	4.3	4.3	4.4	4.5	4.5	4.5

Exhibit 2

Shannon Cavanaugh

CPI Rate

03/31/09

Exhibit 2

Average

3.00%

The CPI Rate is based on the average inflation rate from the beginning of 1926 to the end of 2007.

Source: SBBI 2008 Yearbook, Ibbotson Associates, Table C-7, Page 330-334.

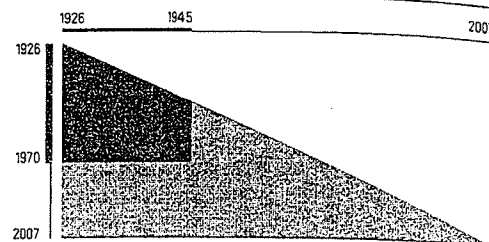
Appendix C

Table C-7 (page 1 of 6)

Inflation

Rates of Return for all holding periods
Percent per annum compounded annually

from 1926 to 2007



To the end of	From the beginning of	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
1926	-1.5																				
1927	-1.8	-2.1																			
1928	-1.5	-1.5	-1.0																		
1929	-1.1	-1.0	-0.4	0.2																	
1930	-2.1	-2.2	-2.3	-3.0	-6.0																
1931	-3.4	-3.7	-4.2	-5.2	-7.8	-9.5															
1932	-4.4	-4.9	-5.4	-6.5	-8.6	-9.9	-10.3														
1933	-3.8	-4.1	-4.5	-5.1	-6.4	-6.6	-5.0	0.5													
1934	-3.2	-3.4	-3.6	-4.0	-4.8	-4.5	-2.7	1.3	2.0												
1935	-2.6	-2.7	-2.8	-3.0	-3.5	-3.0	-1.3	1.8	2.5	3.0											
1936	-2.2	-2.3	-2.3	-2.5	-2.9	-2.3	-0.8	1.7	2.1	2.1	1.2										
1937	-1.8	-1.8	-1.8	-1.9	-2.1	-1.6	-0.2	2.0	2.3	2.4	2.2	3.1									
1938	-1.9	-1.9	-1.9	-2.0	-2.2	-1.7	-0.6	1.2	1.3	1.1	0.5	0.1	-2.8								
1939	-1.8	-1.8	-1.8	-1.8	-2.0	-1.6	-0.6	0.9	1.0	0.8	0.2	-0.1	-1.6	-0.5							
1940	-1.6	-1.6	-1.6	-1.6	-1.8	-1.3	-0.4	0.9	1.0	0.8	0.4	0.2	-0.8	0.2	1.0						
1941	-0.9	-0.9	-0.8	-0.8	-0.9	-0.4	0.6	1.9	2.0	2.0	1.9	2.0	1.7	3.3	5.2	9.7					
1942	-0.3	-0.3	-0.2	-0.1	-0.1	0.4	1.3	2.6	2.8	2.9	2.9	3.2	3.2	4.8	6.6	9.5	9.3				
1943	-0.2	-0.1	0.0	0.1	0.1	0.6	1.5	2.6	2.9	2.9	2.9	3.2	3.2	4.4	5.7	7.3	6.2	3.2			
1944	0.0	0.0	0.2	0.2	0.2	0.7	1.5	2.6	2.8	2.9	2.8	3.1	3.0	4.1	5.0	6.0	4.8	2.6	2.1		
1945	0.1	0.2	0.3	0.4	0.4	0.8	1.6	2.6	2.7	2.8	2.8	3.0	2.9	3.8	4.5	5.2	4.2	2.5	2.2	2.3	
1946	0.9	1.0	1.2	1.3	1.3	1.8	2.6	3.6	3.9	4.0	4.1	4.4	4.5	5.5	6.4	7.3	6.8	6.2	7.3	9.9	
1947	1.2	1.4	1.5	1.7	1.7	2.2	3.0	4.0	4.2	4.4	4.5	4.8	5.0	5.9	6.7	7.5	7.2	6.8	7.7	9.6	
1948	1.3	1.4	1.6	1.7	1.8	2.3	3.0	3.9	4.1	4.3	4.4	4.6	4.8	5.6	6.2	6.9	6.5	6.1	6.7	7.8	
1949	1.2	1.3	1.4	1.5	1.6	2.0	2.7	3.5	3.7	3.8	3.9	4.1	4.2	4.9	5.4	5.9	5.5	4.9	5.2	5.8	
1950	1.3	1.5	1.6	1.7	1.8	2.2	2.9	3.7	3.9	4.0	4.0	4.2	4.3	4.9	5.4	5.9	5.5	5.0	5.3	5.8	
1951	1.5	1.6	1.8	1.9	2.0	2.4	3.0	3.8	4.0	4.1	4.1	4.3	4.4	5.0	5.5	5.9	5.5	5.1	5.4	5.8	
1952	1.5	1.6	1.8	1.9	1.9	2.3	2.9	3.6	3.8	3.9	4.0	4.1	4.2	4.7	5.1	5.5	5.1	4.7	4.9	5.2	
1953	1.5	1.6	1.7	1.8	1.9	2.2	2.8	3.5	3.6	3.7	3.8	3.9	4.0	4.4	4.8	5.1	4.7	4.3	4.4	4.7	
1954	1.4	1.5	1.6	1.7	1.8	2.1	2.7	3.3	3.4	3.5	3.5	3.7	3.7	4.1	4.4	4.7	4.3	3.9	4.0	4.2	
1955	1.4	1.5	1.6	1.7	1.7	2.1	2.6	3.2	3.3	3.4	3.4	3.5	3.5	3.9	4.2	4.4	4.0	3.6	3.7	3.8	
1956	1.4	1.5	1.6	1.7	1.8	2.1	2.6	3.2	3.3	3.3	3.3	3.5	3.5	3.8	4.1	4.3	3.9	3.6	3.6	3.7	
1957	1.5	1.5	1.7	1.8	1.8	2.1	2.6	3.2	3.3	3.3	3.3	3.4	3.5	3.8	4.0	4.2	3.9	3.5	3.6	3.7	
1958	1.5	1.6	1.7	1.8	1.8	2.1	2.6	3.1	3.2	3.3	3.3	3.4	3.4	3.7	3.9	4.1	3.8	3.4	3.4	3.5	
1959	1.5	1.6	1.7	1.8	1.8	2.1	2.5	3.0	3.1	3.2	3.2	3.3	3.3	3.6	3.8	3.9	3.6	3.3	3.3	3.4	
1960	1.5	1.6	1.7	1.7	1.8	2.1	2.5	3.0	3.1	3.1	3.1	3.2	3.2	3.5	3.7	3.8	3.5	3.2	3.2	3.3	
1961	1.4	1.5	1.6	1.7	1.8	2.0	2.4	2.9	3.0	3.0	3.0	3.1	3.1	3.4	3.5	3.7	3.4	3.1	3.1	3.1	
1962	1.4	1.5	1.6	1.7	1.7	2.0	2.4	2.8	2.9	3.0	3.0	3.0	3.0	3.3	3.4	3.6	3.3	3.0	3.0	3.0	
1963	1.4	1.5	1.6	1.7	1.7	2.0	2.4	2.8	2.9	2.9	2.9	3.0	3.0	3.2	3.4	3.5	3.2	2.9	2.9	2.9	
1964	1.4	1.5	1.6	1.7	1.7	2.0	2.3	2.8	2.8	2.9	2.9	2.9	2.9	3.1	3.3	3.4	3.1	2.8	2.8	2.9	
1965	1.4	1.5	1.6	1.7	1.7	2.0	2.3	2.7	2.8	2.8	2.8	2.9	2.9	3.1	3.2	3.3	3.1	2.8	2.8	2.8	
1966	1.5	1.6	1.7	1.7	1.8	2.0	2.4	2.8	2.8	2.8	2.8	2.9	2.9	3.1	3.2	3.3	3.1	2.8	2.8	2.8	
1967	1.5	1.6	1.7	1.8	1.8	2.0	2.4	2.8	2.8	2.8	2.8	2.9	2.9	3.1	3.2	3.3	3.1	2.8	2.8	2.8	
1968	1.6	1.7	1.8	1.8	1.9	2.1	2.4	2.8	2.9	2.9	2.9	3.0	3.0	3.1	3.3	3.4	3.1	2.9	2.9	2.9	
1969	1.7	1.8	1.9	1.9	2.0	2.2	2.5	2.9	3.0	3.0	3.0	3.0	3.0	3.2	3.4	3.5	3.2	3.0	3.0	3.0	
1970	1.8	1.9	2.0	2.0	2.1	2.3	2.6	3.0	3.0	3.1	3.1	3.1	3.1	3.3	3.4	3.5	3.3	3.1	3.1	3.1	

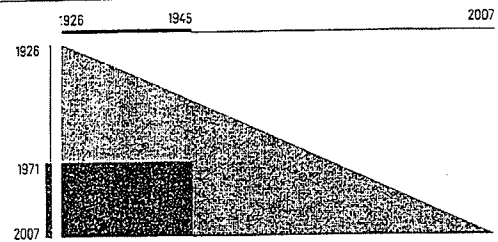
Rates of Return: All Yearly Holding Periods

Table C-7 (page 2 of 6)

Inflation

Rates of Return for all holding periods

Percent per annum compounded annually



from 1926 to 2007

To the end of	From the beginning of 1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
1971	1.8	1.9	2.0	2.1	2.1	2.3	2.6	3.0	3.0	3.1	3.1	3.1	3.1	3.3	3.4	3.5	3.3	3.1	3.1	3.1
1972	1.9	1.9	2.0	2.1	2.1	2.3	2.6	3.0	3.1	3.1	3.1	3.1	3.1	3.3	3.4	3.5	3.3	3.1	3.1	3.2
1973	2.0	2.1	2.2	2.2	2.3	2.5	2.8	3.1	3.2	3.2	3.2	3.3	3.3	3.5	3.6	3.7	3.5	3.3	3.3	3.3
1974	2.2	2.3	2.4	2.4	2.5	2.7	3.0	3.3	3.4	3.4	3.4	3.5	3.5	3.7	3.8	3.9	3.7	3.6	3.6	3.6
1975	2.3	2.4	2.5	2.5	2.6	2.8	3.1	3.4	3.5	3.5	3.5	3.6	3.6	3.8	3.9	4.0	3.8	3.7	3.7	3.7
1976	2.3	2.4	2.5	2.6	2.6	2.8	3.1	3.4	3.5	3.6	3.6	3.6	3.6	3.8	3.9	4.0	3.9	3.7	3.7	3.8
1977	2.4	2.5	2.6	2.7	2.7	2.9	3.2	3.5	3.6	3.6	3.6	3.7	3.7	3.9	4.0	4.1	3.9	3.8	3.8	3.9
1978	2.5	2.6	2.7	2.8	2.8	3.0	3.3	3.6	3.7	3.7	3.8	3.8	3.8	4.0	4.1	4.2	4.1	3.9	4.0	4.0
1979	2.7	2.8	2.9	3.0	3.0	3.2	3.5	3.8	3.9	4.0	4.0	4.0	4.1	4.2	4.4	4.4	4.3	4.2	4.2	4.3
1980	2.9	3.0	3.1	3.2	3.2	3.4	3.7	4.0	4.1	4.1	4.2	4.2	4.2	4.4	4.5	4.6	4.5	4.4	4.4	4.5
1981	3.0	3.1	3.2	3.3	3.3	3.5	3.8	4.1	4.2	4.2	4.3	4.3	4.4	4.5	4.6	4.7	4.6	4.5	4.5	4.6
1982	3.0	3.1	3.2	3.3	3.3	3.5	3.8	4.1	4.2	4.2	4.2	4.3	4.3	4.5	4.6	4.7	4.6	4.5	4.5	4.6
1983	3.0	3.1	3.2	3.3	3.3	3.5	3.8	4.1	4.2	4.2	4.2	4.3	4.3	4.5	4.6	4.7	4.6	4.5	4.5	4.5
1984	3.0	3.1	3.2	3.3	3.4	3.5	3.8	4.1	4.2	4.2	4.2	4.3	4.3	4.5	4.6	4.7	4.6	4.5	4.5	4.5
1985	3.1	3.1	3.2	3.3	3.4	3.5	3.8	4.1	4.2	4.2	4.2	4.3	4.3	4.5	4.6	4.7	4.5	4.4	4.5	4.5
1986	3.0	3.1	3.2	3.3	3.3	3.5	3.8	4.0	4.1	4.1	4.2	4.2	4.2	4.4	4.5	4.6	4.5	4.4	4.4	4.4
1987	3.0	3.1	3.2	3.3	3.3	3.5	3.8	4.0	4.1	4.1	4.2	4.2	4.2	4.4	4.5	4.6	4.5	4.4	4.4	4.4
1988	3.1	3.1	3.2	3.3	3.4	3.5	3.8	4.0	4.1	4.1	4.2	4.2	4.3	4.4	4.5	4.6	4.5	4.4	4.4	4.4
1989	3.1	3.2	3.3	3.3	3.4	3.5	3.8	4.1	4.1	4.2	4.2	4.2	4.3	4.4	4.5	4.6	4.5	4.4	4.4	4.4
1990	3.1	3.2	3.3	3.4	3.4	3.6	3.8	4.1	4.2	4.2	4.2	4.3	4.3	4.4	4.5	4.6	4.5	4.4	4.4	4.5
1991	3.1	3.2	3.3	3.4	3.4	3.6	3.8	4.1	4.1	4.2	4.2	4.2	4.3	4.4	4.5	4.6	4.5	4.4	4.4	4.5
1992	3.1	3.2	3.3	3.4	3.4	3.6	3.8	4.1	4.1	4.2	4.2	4.2	4.2	4.4	4.5	4.5	4.4	4.3	4.4	4.4
1993	3.1	3.2	3.3	3.3	3.4	3.6	3.8	4.0	4.1	4.1	4.1	4.2	4.2	4.3	4.4	4.5	4.4	4.3	4.3	4.4
1994	3.1	3.2	3.3	3.3	3.4	3.5	3.8	4.0	4.1	4.1	4.1	4.2	4.2	4.3	4.4	4.5	4.4	4.3	4.3	4.4
1995	3.1	3.2	3.3	3.3	3.4	3.5	3.7	4.0	4.0	4.1	4.1	4.1	4.2	4.3	4.4	4.4	4.3	4.3	4.3	4.3
1996	3.1	3.2	3.3	3.3	3.4	3.5	3.7	4.0	4.0	4.1	4.1	4.1	4.1	4.3	4.4	4.4	4.3	4.2	4.3	4.3
1997	3.1	3.2	3.2	3.3	3.4	3.5	3.7	3.9	4.0	4.0	4.0	4.1	4.1	4.2	4.3	4.4	4.3	4.2	4.2	4.2
1998	3.1	3.1	3.2	3.3	3.3	3.5	3.7	3.9	4.0	4.0	4.0	4.0	4.1	4.2	4.3	4.3	4.2	4.1	4.2	4.2
1999	3.1	3.1	3.2	3.3	3.3	3.5	3.7	3.9	3.9	4.0	4.0	4.0	4.0	4.2	4.2	4.3	4.2	4.1	4.1	4.2
2000	3.1	3.1	3.2	3.3	3.3	3.5	3.7	3.9	3.9	4.0	4.0	4.0	4.0	4.1	4.2	4.3	4.2	4.1	4.1	4.2
2001	3.1	3.1	3.2	3.2	3.3	3.4	3.6	3.8	3.9	3.9	3.9	4.0	4.0	4.1	4.2	4.2	4.1	4.1	4.1	4.1
2002	3.0	3.1	3.2	3.2	3.3	3.4	3.6	3.8	3.9	3.9	3.9	4.0	4.0	4.1	4.2	4.2	4.1	4.0	4.0	4.1
2003	3.0	3.1	3.2	3.2	3.3	3.4	3.6	3.8	3.8	3.9	3.9	3.9	3.9	4.0	4.1	4.2	4.1	4.0	4.0	4.0
2004	3.0	3.1	3.2	3.2	3.3	3.4	3.6	3.8	3.8	3.9	3.9	3.9	3.9	4.0	4.1	4.2	4.1	4.0	4.0	4.0
2005	3.0	3.1	3.2	3.2	3.3	3.4	3.6	3.8	3.8	3.9	3.9	3.9	3.9	4.0	4.1	4.1	4.1	4.0	4.0	4.0
2006	3.0	3.1	3.2	3.2	3.3	3.4	3.6	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.1	4.1	4.0	4.0	4.0	4.0
2007	3.0	3.1	3.2	3.2	3.3	3.4	3.6	3.8	3.8	3.8	3.9	3.9	3.9	4.0	4.1	4.1	4.0	4.0	4.0	4.0

Exhibit 3

Lone Peak Valuation Group**Shannon Cavanaugh****Calculation of Life Expectancy****03/31/09****Exhibit 3**

Age at date of incident (DOI):	z =	24.38
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Age factors:	x =	24
	y =	25

Life Expectancy	A =	57.60
	B =	56.63

$$LE = A - ((z - x) * (A - B))$$

Life Expectancy =	<u>57.23</u>	years
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Total Life Expectancy =	<u>81.61</u>	years
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Source: Tables 1-9, Life Expectancy, from National Vital Statistics Reports, Vol 56, No 9, December 28, 2007

Table 6. Life table for white females: United States, 2004

[Click here for spreadsheet version](#)

Age	Probability of dying between ages x to $x+1$	Number surviving to age x	Number dying between ages x to $x+1$	Person-years lived between ages x to $x+1$	Total number of person-years lived above age x	Expectation of life at age x
	$q(x)$	$l(x)$	$d(x)$	$L(x)$	$T(x)$	$e(x)$
0-1	0.005066	100,000	507	99,555	8,078,669	80.8
1-2	0.000416	99,493	41	99,473	7,979,115	80.2
2-3	0.000231	99,452	23	99,440	7,879,642	79.2
3-4	0.000175	99,429	17	99,420	7,780,202	78.2
4-5	0.000151	99,412	15	99,404	7,680,781	77.3
5-6	0.000133	99,397	13	99,390	7,581,377	76.3
6-7	0.000124	99,383	12	99,377	7,481,987	75.3
7-8	0.000117	99,371	12	99,365	7,382,610	74.3
8-9	0.000109	99,359	11	99,354	7,283,245	73.3
9-10	0.000099	99,349	10	99,344	7,183,891	72.3
10-11	0.000092	99,339	9	99,334	7,084,547	71.3
11-12	0.000096	99,330	10	99,325	6,985,213	70.3
12-13	0.000119	99,320	12	99,314	6,885,888	69.3
13-14	0.000167	99,308	17	99,300	6,786,574	68.3
14-15	0.000233	99,292	23	99,280	6,687,274	67.3
15-16	0.000309	99,268	31	99,253	6,587,994	66.4
16-17	0.000380	99,238	38	99,219	6,488,741	65.4
17-18	0.000431	99,200	43	99,179	6,389,522	64.4
18-19	0.000451	99,157	45	99,135	6,290,343	63.4
19-20	0.000449	99,113	44	99,090	6,191,208	62.5
20-21	0.000442	99,068	44	99,046	6,092,118	61.5
21-22	0.000441	99,024	44	99,003	5,993,072	60.5
22-23	0.000440	98,981	44	98,959	5,894,069	59.5
23-24	0.000443	98,937	44	98,915	5,795,110	58.6
24-25	0.000450	98,893	45	98,871	5,696,195	57.6
25-26	0.000459	98,849	45	98,826	5,597,324	56.6
26-27	0.000469	98,803	46	98,780	5,498,498	55.7
27-28	0.000484	98,757	48	98,733	5,399,717	54.7
28-29	0.000503	98,709	50	98,684	5,300,984	53.7
29-30	0.000527	98,660	52	98,634	5,202,300	52.7
30-31	0.000557	98,608	55	98,580	5,103,666	51.8
31-32	0.000593	98,553	58	98,524	5,005,086	50.8
32-33	0.000635	98,494	62	98,463	4,906,562	49.8
33-34	0.000684	98,432	67	98,398	4,808,099	48.8
34-35	0.000741	98,365	73	98,328	4,709,701	47.9
35-36	0.000806	98,292	79	98,252	4,611,373	46.9
36-37	0.000880	98,212	86	98,169	4,513,121	46.0
37-38	0.000971	98,126	95	98,078	4,414,951	45.0
38-39	0.001077	98,031	106	97,978	4,316,873	44.0
39-40	0.001191	97,925	117	97,867	4,218,895	43.1
40-41	0.001305	97,809	128	97,745	4,121,028	42.1
41-42	0.001420	97,681	139	97,612	4,023,284	41.2
42-43	0.001546	97,542	151	97,467	3,925,672	40.2
43-44	0.001690	97,391	165	97,309	3,828,205	39.3
44-45	0.001850	97,227	180	97,137	3,730,896	38.4
45-46	0.002029	97,047	197	96,948	3,633,759	37.4
46-47	0.002214	96,850	214	96,743	3,536,811	36.5
47-48	0.002393	96,636	231	96,520	3,440,068	35.6
48-49	0.002557	96,404	247	96,281	3,343,548	34.7
49-50	0.002718	96,158	261	96,027	3,247,267	33.8
50-51	0.002889	95,896	277	95,758	3,151,240	32.9
51-52	0.003091	95,619	296	95,472	3,055,482	32.0
52-53	0.003337	95,324	318	95,165	2,960,010	31.1
53-54	0.003639	95,006	346	94,833	2,864,845	30.2
54-55	0.003989	94,660	378	94,471	2,770,012	29.3
55-56	0.004374	94,282	412	94,076	2,675,541	28.4
56-57	0.004787	93,870	449	93,645	2,581,465	27.5
57-58	0.005243	93,421	490	93,176	2,487,820	26.6
58-59	0.005756	92,931	535	92,664	2,394,644	25.8
59-60	0.006338	92,396	586	92,103	2,301,980	24.9
60-61	0.007028	91,810	645	91,488	2,209,877	24.1
61-62	0.007803	91,165	711	90,810	2,118,389	23.2
62-63	0.008605	90,454	778	90,065	2,027,580	22.4
63-64	0.009386	89,676	842	89,255	1,937,515	21.6
64-65	0.010169	88,834	903	88,382	1,848,260	20.8

Table 6. Life table for white females: United States, 2004—Con.

[Click here for spreadsheet version](#)

Age	Probability of dying between ages x to $x+1$	Number surviving to age x	Number dying between ages x to $x+1$	Person-years lived between ages x to $x+1$	Total number of person-years lived above age x	Expectation of life at age x
	$q(x)$	$l(x)$	$d(x)$	$L(x)$	$T(x)$	$e(x)$
65-66	0.011039	87,930	971	87,445	1,759,878	20.0
66-67	0.012065	86,960	1,049	86,435	1,672,433	19.2
67-68	0.013229	85,911	1,137	85,342	1,585,998	18.5
68-69	0.014540	84,774	1,233	84,158	1,500,655	17.7
69-70	0.015988	83,542	1,336	82,874	1,416,497	17.0
70-71	0.017535	82,206	1,442	81,485	1,333,624	16.2
71-72	0.019223	80,764	1,553	79,988	1,252,138	15.5
72-73	0.021123	79,212	1,673	78,375	1,172,150	14.8
73-74	0.023264	77,539	1,804	76,637	1,093,775	14.1
74-75	0.025619	75,735	1,940	74,765	1,017,138	13.4
75-76	0.027978	73,794	2,065	72,762	942,374	12.8
76-77	0.030458	71,730	2,185	70,637	869,612	12.1
77-78	0.033446	69,545	2,326	68,382	798,974	11.5
78-79	0.037165	67,219	2,498	65,970	730,592	10.9
79-80	0.041559	64,721	2,690	63,376	664,622	10.3
80-81	0.046299	62,031	2,872	60,595	601,246	9.7
81-82	0.051190	59,159	3,028	57,645	540,651	9.1
82-83	0.056564	56,131	3,175	54,543	483,006	8.6
83-84	0.062668	52,956	3,319	51,297	428,462	8.1
84-85	0.069752	49,637	3,462	47,906	377,166	7.6
85-86	0.077062	46,175	3,558	44,396	329,260	7.1
86-87	0.085061	42,617	3,625	40,804	284,864	6.7
87-88	0.093796	38,992	3,657	37,163	244,060	6.3
88-89	0.103316	35,334	3,651	33,509	206,897	5.9
89-90	0.113667	31,684	3,601	29,883	173,388	5.5
90-91	0.124894	28,082	3,507	26,329	143,505	5.1
91-92	0.137038	24,575	3,368	22,891	117,177	4.8
92-93	0.150136	21,207	3,184	19,615	94,285	4.4
93-94	0.164220	18,023	2,960	16,543	74,670	4.1
94-95	0.179312	15,064	2,701	13,713	58,127	3.9
95-96	0.195426	12,362	2,416	11,154	44,414	3.6
96-97	0.212566	9,946	2,114	8,889	33,259	3.3
97-98	0.230721	7,832	1,807	6,929	24,370	3.1
98-99	0.249870	6,025	1,506	5,272	17,441	2.9
99-100	0.269973	4,520	1,220	3,910	12,169	2.7
100 or over	1.00000	3,299	3,299	8,259	8,259	2.5

Exhibit 4

Shannon Cavanaugh**Pre - Incident Calculation of Work Life Expectancy****03/31/09****Exhibit 4****Pre-Incident Work Life Expectancy**Age at date of incident (DOI): $z = 24.38$ Age factors: $x = 24$
 $y = 25$

		CPS	ACS	Average
WLE range:	note (1)	A = 30.4	23.2	26.8
		B = 29.8	27.6	28.7

$$WLE = A - ((z - x) * (A - B))$$

$$WLE = \underline{\underline{27.52}} \text{ years}$$

$$\text{Expected Age at Retirement} = \underline{\underline{51.90}} \text{ years}$$

Source: The New Worklife Expectancy Tables, Revised 2002, Table 2, Page 42-43

The New Worklife Expectancy Tables

The Tables

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Table 7 Worklife Expectancies for Females, High School Graduate

Age	Gender: Females		Education: High School Graduate									
			Current Population Survey					American Community Survey				
	Not Disabled	All Persons	Not Severe	Disabled	All Disabled	Severely Disabled	Not Disabled	All Persons	Physical Only	Physical Severe	Cognit. Only	Cognit. Severe
18	34.2	31.3	25.4	11.8	5.4	5.4	31.8	29.7	21.8	6.3	20.3	6.0
19	33.6	30.7	24.9	11.5	5.1	5.1	31.3	29.2	21.3	6.2	19.9	5.9
20	33.0	30.1	24.4	11.2	4.9	4.9	30.7	28.7	20.8	6.1	19.5	5.8
21	32.3	29.5	23.9	10.8	4.7	4.7	30.1	28.1	20.3	5.9	19.1	5.7
22	31.7	28.9	23.5	10.5	4.4	4.4	29.5	27.5	19.8	5.8	18.6	5.5
23	31.1	28.3	23.0	10.2	4.2	4.2	28.8	26.8	19.2	5.7	18.2	5.4
24	30.4	27.6	22.5	9.9	4.0	4.0	28.2	26.2	18.7	5.6	17.7	5.3
25	29.8	27.0	22.0	9.6	3.7	3.7	27.6	25.6	18.2	5.4	17.3	5.2
26	29.1	26.3	21.4	9.3	3.6	3.6	27.0	25.0	17.7	5.3	16.8	5.0
27	28.4	25.7	20.9	9.0	3.4	3.4	26.3	24.4	17.3	5.2	16.4	4.9
28	27.7	25.0	20.3	8.7	3.2	3.2	25.7	23.8	16.8	5.0	15.9	4.8
29	27.0	24.4	19.7	8.4	3.1	3.1	25.1	23.2	16.4	4.9	15.5	4.7
30	26.3	23.7	19.2	8.1	2.9	2.9	24.4	22.5	15.9	4.8	15.0	4.6
31	25.6	23.0	18.6	7.8	2.7	2.7	23.8	21.9	15.4	4.6	14.6	4.4
32	24.9	22.4	18.0	7.5	2.6	2.6	23.1	21.3	15.0	4.5	14.2	4.3
33	24.2	21.7	17.5	7.3	2.4	2.4	22.5	20.7	14.5	4.4	13.8	4.2
34	23.5	21.1	16.9	7.0	2.2	2.2	21.8	20.0	14.1	4.2	13.4	4.0
35	22.8	20.4	16.3	6.7	2.1	2.1	21.2	19.4	13.6	4.1	12.9	3.9
36	22.1	19.7	15.7	6.4	2.0	2.0	20.5	18.7	13.2	4.0	12.5	3.8
37	21.3	19.0	15.1	6.2	1.9	1.9	19.8	18.1	12.7	3.8	12.1	3.7
38	20.6	18.3	14.5	5.9	1.8	1.8	19.1	17.4	12.2	3.7	11.7	3.5
39	19.8	17.6	13.9	5.7	1.7	1.7	18.4	16.8	11.7	3.6	11.3	3.4
40	19.0	16.9	13.3	5.4	1.6	1.6	17.7	16.1	11.3	3.4	10.9	3.3
41	18.3	16.2	12.7	5.2	1.5	1.5	17.0	15.4	10.8	3.3	10.4	3.1
42	17.5	15.4	12.1	4.9	1.4	1.4	16.3	14.8	10.3	3.1	9.9	3.0
43	16.8	14.7	11.5	4.7	1.2	1.2	15.6	14.1	9.9	3.0	9.4	2.8
44	16.0	14.0	10.9	4.4	1.1	1.1	14.9	13.4	9.4	2.8	9.0	2.7
45	15.3	13.3	10.3	4.2	1.0	1.0	14.2	12.7	8.9	2.7	8.5	2.6

Exhibit 5

Shannon Cavanaugh
Calculation of Merit Increases
03/31/09

Exhibit 5

Age	Merit Change %
18	0.000%
19	4.744%
20	4.378%
21	4.050%
22	3.754%
23	3.484%
24	3.237%
25	3.011%
26	2.801%
27	2.607%
28	2.425%
29	2.255%
30	2.095%
31	1.945%
32	1.802%
33	1.666%
34	1.537%
35	1.413%
36	1.294%
37	1.180%
38	1.069%
39	0.962%
40	0.858%
41	0.757%
42	0.658%
43	0.561%
44	0.465%
45	0.371%
46	0.278%
47	0.186%
48	0.095%
49	0.004%
50	-0.087%
51	-0.178%
52	-0.269%
53	-0.362%
54	-0.455%
55	-0.549%
56	-0.645%
57	-0.742%
58	-0.842%
59	-0.943%
60	-1.048%
61	-1.156%
62	-1.267%
63	-1.383%
64	-1.502%
65	-1.627%
66	-1.758%
67	-1.895%
68	-2.039%
69	-2.191%
70	-2.353%
71	-2.524%
72	-2.708%
73	-2.904%
74	-3.116%
75	-3.345%

Note: Taken from Statistical Abstract of the United States, derived from Current Population Survey, Total Money in Earnings in May 2007 (published May, 2008)

Exhibit 6

Shannon Cavanaugh
Itemized Medical Expenses - sorted by Report Page
3/31/2009

Exhibit 6.1

Item Number	Report Page	Expense Description	Start Age	End Age	Average Current Year Cost	Net Discount Factor	PV	Inflation Category	Inflation Rate	PV as a % of Total
1		1 Headache Specialist	26	81	425	63.177904	\$ 26,851	Physicians	4.73%	2.7093%
2		1 Chiropractor - year 1	26	26	840	1.000000	\$ 840	Services by Other Med Prof	3.62%	0.0848%
3		1 Chiropractor - year 2 and beyond	27	81	370	50.642724	\$ 18,738	Services by Other Med Prof	3.62%	1.8907%
4		1 Psychiatry Initial Evaluation	26	26	190	1.000000	\$ 190	Physicians	4.73%	0.0192%
5		1 Psychiatry Sessions	TBD	TBD				Physicians	4.73%	#VALUE!
6		2 Immitrex and Topamax	26	81	6,649	74.401428	\$ 494,695	Prescription	5.59%	49.9155%
7		2 Psychological Counseling - initial evaluation	26	26	203	1.000000	\$ 203	Services by Other Med Prof	3.62%	0.0204%
8		2 Psychological Counseling - Sessions first 2 yea	27	27	2,500	0.999074	\$ 2,498	Services by Other Med Prof	3.62%	0.2520%
9		2 Psychological Counseling - year 3 and beyond	29	81	1,470	48.645315	\$ 71,509	Services by Other Med Prof	3.62%	7.2153%
10		2 Case Management Services	26	81	688	45.866423	\$ 31,533	CPI Rate	3.00%	3.1817%
11		3 Neuropsychological Evaluation - years 1 and	26	26	2,750	1.000000	\$ 2,750	Physicians	4.73%	0.2775%
12		3 Neuropsychological Evaluation - Age 55 to 6	55	65	309	13.286184	\$ 4,107	Physicians	4.73%	0.4144%
13		3 Vocational Rehabilitation	26	35	400	9.686921	\$ 3,875	CPI Rate	3.00%	0.3910%
14		3 Childcare Services or Preschool - through age	26	27	8,112	1.747216	\$ 14,173	CPI Rate	3.00%	1.4301%
15		3 Organizational Services	26	81	250	45.866423	\$ 11,467	CPI Rate	3.00%	1.1570%
16		4 Massage Therapy Sessions	26	26	5,200	1.000000	\$ 5,200	CPI Rate	3.00%	0.5247%
17		4 Specialized Pillow	26	81	55	42.772875	\$ 2,353	Non-prescription Med Eq	2.58%	0.2374%
18		4 Memory foam or other Comfortable Mattress:	26	81	390	42.772875	\$ 16,681	Non-prescription Med Eq	2.58%	1.6832%
19		4 Organizational / Memory Tools	26	81	250	46.110777	\$ 11,528	CPI Rate	3.00%	1.1632%
20		4 GPS System	26	81	95	46.110777	\$ 4,381	CPI Rate	3.00%	0.4420%
21		5 House Cleaning Services	26	81	4,940	45.866423	\$ 226,580	CPI Rate	3.00%	22.8623%
22		5 Nanny / Child Care Services	26	28	14,976	2.732092	\$ 40,916	CPI Rate	3.00%	4.1285%

Total PV of Future Medical Expenses \$ 991,065

Prescription Tm										Nonprescription Med Equip										OtherMedPrnTm									
Discount Rate = CPI=										Discount Rate = CPI=										Discount Rate = CPI=									
Prescription Inflation =										Nonprescription Med Equip										Services by Other Med Prof									
Year	Age	Period	Discount	Net Discount	Factor	Rate	Year	Age	Period	Discount	Net Discount	Factor	Rate	Year	Age	Period	Discount	Net Discount	Factor	Rate									
26	2009	0.38	0.00%	1.00000	26	2009	0.38	0.00%	1.00000	26	2009	0.38	0.00%	1.00000	26	2009	0.38	0.00%	1.00000										
27	2010	1.25	-1.79%	1.02783	27	2010	1.25	-1.79%	0.98653	27	2010	1.25	-1.79%	0.98653	27	2010	1.25	-1.79%	0.98653										
28	2011	2.25	-1.79%	1.04148	28	2011	2.25	-1.79%	0.97588	28	2011	2.25	-1.79%	0.97588	28	2011	2.25	-1.79%	0.97588										
29	2012	3.25	-1.79%	1.06046	29	2012	3.25	-1.79%	0.96535	29	2012	3.25	-1.79%	0.96535	29	2012	3.25	-1.79%	0.96535										
30	2013	4.25	-1.79%	1.07978	30	2013	4.25	-1.79%	0.95493	30	2013	4.25	-1.79%	0.95493	30	2013	4.25	-1.79%	0.95493										
31	2014	5.25	-1.79%	1.09946	31	2014	5.25	-1.79%	0.94463	31	2014	5.25	-1.79%	0.94463	31	2014	5.25	-1.79%	0.94463										
32	2015	6.25	-1.79%	1.11950	32	2015	6.25	-1.79%	0.93443	32	2015	6.25	-1.79%	0.93443	32	2015	6.25	-1.79%	0.93443										
33	2016	7.25	-1.79%	1.13991	33	2016	7.25	-1.79%	0.92435	33	2016	7.25	-1.79%	0.92435	33	2016	7.25	-1.79%	0.92435										
34	2017	8.25	-1.79%	1.16068	34	2017	8.25	-1.79%	0.91437	34	2017	8.25	-1.79%	0.91437	34	2017	8.25	-1.79%	0.91437										
35	2018	9.25	-1.79%	1.18184	35	2018	9.25	-1.79%	0.90450	35	2018	9.25	-1.79%	0.90450	35	2018	9.25	-1.79%	0.90450										
36	2019	10.25	-1.79%	1.20338	36	2019	10.25	-1.79%	0.89474	36	2019	10.25	-1.79%	0.89474	36	2019	10.25	-1.79%	0.89474										
37	2020	11.25	-1.79%	1.22631	37	2020	11.25	-1.79%	0.88508	37	2020	11.25	-1.79%	0.88508	37	2020	11.25	-1.79%	0.88508										
38	2021	12.25	-1.79%	1.25038	38	2021	12.25	-1.79%	0.87553	38	2021	12.25	-1.79%	0.87553	38	2021	12.25	-1.79%	0.87553										
39	2022	13.25	-1.79%	1.27038	39	2022	13.25	-1.79%	0.86608	39	2022	13.25	-1.79%	0.86608	39	2022	13.25	-1.79%	0.86608										
40	2023	14.25	-1.79%	1.29553	40	2023	14.25	-1.79%	0.85674	40	2023	14.25	-1.79%	0.85674	40	2023	14.25	-1.79%	0.85674										
41	2024	15.25	-1.79%	1.31711	41	2024	15.25	-1.79%	0.84749	41	2024	15.25	-1.79%	0.84749	41	2024	15.25	-1.79%	0.84749										
42	2025	16.25	-1.79%	1.34111	42	2025	16.25	-1.79%	0.83834	42	2025	16.25	-1.79%	0.83834	42	2025	16.25	-1.79%	0.83834										
43	2026	17.25	-1.79%	1.36556	43	2026	17.25	-1.79%	0.82930	43	2026	17.25	-1.79%	0.82930	43	2026	17.25	-1.79%	0.82930										
44	2027	18.25	-1.79%	1.39044	44	2027	18.25	-1.79%	0.82035	44	2027	18.25	-1.79%	0.82035	44	2027	18.25	-1.79%	0.82035										
45	2028	19.25	-1.79%	1.41579	45	2028	19.25	-1.79%	0.81149	45	2028	19.25	-1.79%	0.81149	45	2028	19.25	-1.79%	0.81149										
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Exhibit 6.2

CPIT/CI		Discount Rate =	3.70%
CPI=		3.00%	
CPI=		3.00%	
Year	Year	Discount Rate	Net Present Value
26	2009	0.38	1.00000
27	2010	1.25	0.99157
28	2011	2.25	0.98468
29	2012	3.25	0.97823
30	2013	4.25	0.97162
31	2014	5.25	0.96507
32	2015	6.25	0.95855
33	2016	7.25	0.95208
34	2017	8.25	0.94565
35	2018	9.25	0.93927
36	2019	10.25	0.93293
37	2020	11.25	0.92663
38	2021	12.25	0.92038
39	2022	13.25	0.91417
40	2023	14.25	0.90799
41	2024	15.25	0.90187
42	2025	16.25	0.89578
43	2026	17.25	0.88973
44	2027	18.25	0.88372
45	2028	19.25	0.87776
46	2029	20.25	0.87183
47	2030	21.25	0.86595
48	2031	22.25	0.86010
49	2032	23.25	0.85430
50	2033	24.25	0.84853
51	2034	25.25	0.84280
52	2035	26.25	0.83711
53	2036	27.25	0.83146
54	2037	28.25	0.82585
55	2038	29.25	0.82028
56	2039	30.25	0.81474
57	2040	31.25	0.80924
58	2041	32.25	0.80378
59	2042	33.25	0.79835
60	2043	34.25	0.79296
61	2044	35.25	0.78761
62	2045	36.25	0.78229
63	2046	37.25	0.77701
64	2047	38.25	0.77177
65	2048	39.25	0.76656
66	2049	40.25	0.76138
67	2050	41.25	0.75624
68	2051	42.25	0.75114
69	2052	43.25	0.74607
70	2053	44.25	0.74103
71	2054	45.25	0.73603
72	2055	46.25	0.73106
73	2056	47.25	0.72613
74	2057	48.25	0.72123
75	2058	49.25	0.71636
76	2059	50.25	0.71152
77	2060	51.25	0.70672
78	2061	52.25	0.70195
79	2062	53.25	0.69721
80	2063	54.25	0.69250
81	2064	54.84	0.11379

[illegible]

Exhibit 7

Lone Peak Valuation Group
Shannon Cavanaugh
Notes and Comments
3/31/2009

Exhibit 7

Present Value of Future Lost Earnings - Scenario 1 and Past Lost Earnings - Scenario 1 Notes

Notes:

- (1) The age represents age as of the end date.
(2) The merit increase represents the portion of earnings growth attributable to increases in seniority, promotions, etc. The amount is calculated from the Statistical Abstract of the US.
(3) The CPI increase represents the portion of earnings growth attributable to inflation.
(4) See page 6 of report
(5) The benefits percentage is based on the US Chamber of Commerce cost of total benefits for Health Care and Social Assistance Group:

Pre-Incident	Post Incident	Benefits	Pre-Incident	Post Incident	Benefits	Pre-Incident	Post Incident	Benefits
		Total Benefits	x		LTD or Wage Continuation			Cash Balance or Other Hybrid Plan
x		Legally-Required	x		Medical Insurance Premiums	x		401 K and similar
		Payments for Holidays	x		Dental Insurance Premiums	x		Profit-Sharing
		Paid Breaks, etc.			Vision Care			Stock Bonus/ESOP
		Sick Leave Pay	x		Retiree Medical Insurance Premiums			
x		Payments for Vacations			Prescription Drug Coverage	x		Other
x		Paid Time Off			Other			Administration Costs
x		Family and Medical Leave Pay	x		Administration Costs			Severance Pay
		Other	x		Life Insurance and Death			Child Care
x		STD, Sickness or Accident Insurance	x		Defined Benefit Pension Plan	x		Employee Education Expenditures
								Discounts

(6) AVERAGE of 39.6%-1.6% and 32.4%

(7) The benefits percentage is based on the US Chamber of Commerce cost of total benefits for Support & Management Services (Management Companies & Administrative Support):

Pre-Incident	Post Incident	Benefits	Pre-Incident	Post Incident	Benefits	Pre-Incident	Post Incident	Benefits
		Total Benefits			LTD or Wage Continuation			Cash Balance or Other Hybrid Plan
x		Legally-Required	x		Medical Insurance Premiums	x		401 K and similar
		Payments for Holidays			Dental Insurance Premiums			Profit-Sharing
		Paid Breaks, etc.			Vision Care			Stock Bonus/ESOP
		Sick Leave Pay			Retiree Medical Insurance Premiums			
x		Payments for Vacations			Prescription Drug Coverage			Other
x		Paid Time Off			Other	x		Administration Costs
		Family and Medical Leave Pay			Administration Costs			Severance Pay
x		Other	x		Life Insurance and Death			Child Care
x		STD, Sickness or Accident Insurance	x		Defined Benefit Pension Plan	x		Employee Education Expenditures
								Discounts

Taken from the 2007 Employee Benefit Study.

(6) Discount period represents the midpoint of year 1, calculated as follows:

Report Date	03/31/09	Report Date	03/31/09	Report Date	03/31/09
Date at End of Year 1	12/31/09	Date at End of Year 2	12/31/10	Date at End of Last Year	06/16/34
Days Until the End of Year 1	276	Days Until the End of Year 2	641	Days Until the End of Last Year	9,209
Days Until Midpoint of Year 1	138	Days Until Midpoint of Year 2	458	Days Until Midpoint of Last Year	9,127
Discount Period:	0.38	Discount Period:	1.25	Discount Period:	24.99

Tables 1 -2

Notes:

Source: Bureau of Labor Statistics; Employment, Hours, and Earnings from the Current Employment Statistics Survey for Home Health Care Services; Health Care Industry; Average Hourly Earnings of Production Workers

Year	Annual
1991	7.6%
1992	6.6%
1993	4.1%
1994	2.5%
1995	2.2%
1996	2.6%
1997	1.5%
1998	1.2%
1999	4.5%
2000	3.4%
2001	2.5%
2002	1.4%
2003	2.4%
2004	5.3%
2005	1.0%
2006	2.5%
2007	4.2%
2008	5.0%
AVERAGE	3.4%

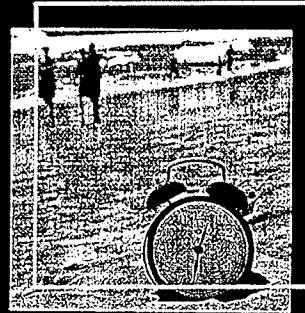
Source: Consumer Price Index, All Urban Consumers; U.S. City Average; Child Care and Nursery School, Percent Change 1999 - 2008

Year	Annual
2001	5.0%
2002	5.1%
2003	4.5%
2004	3.8%
2005	4.4%
2006	5.4%
2007	4.3%
2008	4.5%
AVERAGE	4.6%

Exhibit 10

(1) Source: http://www.naccra.org/docs/reports/price_report/Price_Report_2008_apdx05.pdf; data in 2008\$

EMPLOYEE BENEFITS STUDY



2007



RESEARCH AND ANALYSIS CENTER
U.S. CHAMBER OF COMMERCE

HIGHLIGHTS OF FINDINGS

TABLE 1

Employee Benefits by All Industry Groups

Type of Benefit	Percentage of Payroll %			Cents Per Hour c			Annual Dollars Per Employee \$		
	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing	Total, All Companies	Total, Manufacturing	Total, Non-Manufacturing
Total Number of Companies	453	140	313	453	140	313	453	140	313
Total Number of Full-Time Equivalent Employees	389,180	74,193	314,987	389,180	74,193	314,987	389,180	74,193	314,987
Total Benefits	42.7%	43.2%	42.7%	1,036.7c	1,067.1c	1,029.6c	\$21,527	\$22,457	\$21,308
Legally Required Payments	9.5	10.4	9.2	224.1	251.2	217.7	4,663	5,321	4,509
Federally Required Payroll Taxes	7.4	7.5	7.4	180.8	192.4	178.0	3,754	4,051	3,685
Unemployment Compensation	0.5	0.9	0.4	12.1	21.5	9.9	252	449	206
Workers' Compensation Insurance	1.4	2.0	1.3	28.2	36.8	26.2	596	811	546
Other	0.1	0.1	0.1	3.0	0.5	3.5	61	10	73
Payments for Time Not Worked	9.8	9.3	9.9	228.2	232.2	227.3	4,734	4,884	4,699
Payments for Holidays	2.6	3.2	2.4	61.9	86.1	56.3	1,285	1,813	1,161
Paid Time Off	1.0	1.9	0.8	30.5	45.5	27.0	629	946	555
Payments for Vacations	3.2	3.0	3.3	75.1	78.8	74.2	1,558	1,663	1,533
Sick Leave Pay	1.3	0.3	1.5	27.2	7.0	32.0	567	151	665
Paid Breaks	0.9	0.7	0.9	15.1	11.9	15.8	314	250	330
Family & Medical Leave Pay	0.2	0.0	0.2	3.9	0.2	4.8	81	4	99
Other	0.6	0.1	0.8	14.4	2.7	17.2	300	56	357
Medically Related Payments	12.1	15.0	11.4	293.6	343.9	281.8	6,101	7,242	5,832
STD, Sickness or Accident Insurance	0.2	0.4	0.2	6.4	7.7	6.1	132	163	125
LTD or Wage Continuation	0.2	0.1	0.2	5.6	4.2	5.9	116	88	122
Medical Insurance Premiums	9.0	10.9	8.6	204.7	234.8	197.6	4,256	4,958	4,090
Dental Insurance Premiums	0.4	0.7	0.3	11.8	19.5	10.0	245	409	207
Vision Care	0.0	0.0	0.0	0.6	1.6	0.3	12	34	7
Retiree Medical Insurance Premiums	1.3	1.0	1.3	39.0	35.8	39.8	810	744	825
Life Insurance & Death	0.3	0.4	0.3	6.4	9.2	5.7	132	193	118
Prescription Drug Coverage	0.4	1.1	0.2	10.9	27.5	7.0	228	575	146
Administration Costs	0.1	0.1	0.1	3.3	2.6	3.5	68	56	71
Other	0.2	0.1	0.2	4.9	1.1	5.8	101	24	119
Retirement & Savings	10.4	7.4	11.1	268.5	206.6	283.1	5,567	4,319	5,861
401(K) & Similar	2.2	3.1	1.9	65.4	81.5	61.6	1,355	1,702	1,274
Defined Benefit Pension Plan	4.6	2.9	4.9	120.8	91.9	127.7	2,500	1,915	2,638
Cash Balance or Other Hybrid Plan	0.0	0.0	0.0	1.0	0.0	1.3	19	1	24
Administration Costs	0.2	0.2	0.3	4.5	4.2	4.5	93	87	94
Profit Sharing	1.1	1.0	1.1	38.3	25.1	41.3	797	528	860
Stock Bonus/ESOP	2.1	0.2	2.5	32.8	3.8	39.6	683	81	825
Other	0.2	0.0	0.3	5.7	0.2	7.0	119	4	147
Miscellaneous Benefits	1.0	1.1	1.0	22.3	33.2	19.8	462	691	408
Severance Pay	0.2	0.6	0.1	5.6	16.7	3.0	115	348	60
Child Care	0.0	0.0	0.0	0.1	0.0	0.1	1	0	1
Employee Education Expenditures	0.1	0.2	0.1	4.3	7.2	3.6	88	150	74
Discounts	0.1	0.2	0.1	3.2	8.2	2.1	67	170	43
Other	0.6	0.0	0.7	9.2	1.0	11.1	190	22	230

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Patton-Nelson Personal Consumption Tables 2000-2001: Updated and Revised

Michael R. Ruble, Robert T. Patton, and David M. Nelson*

The Patton-Nelson Personal Consumption Tables were last updated in the Winter 2000 issue of the *Journal of Forensic Economics* using 1997-98 consumption data. Since these tables are widely used by forensic economists and by Lawyers and Judges Publishing Co., it is appropriate to provide consumption percentages based on 2000-01 data. Included in this paper are some revisions as suggested by Bell and Taub (2002).

Bell and Taub provide an alternative approach for allocating certain adult-only expenditures such as alcohol and tobacco which is conceptually appealing and has been added to the consumption model originally suggested by Patton-Nelson (1991). Bell and Taub's approach uses the average number of adults in the household, which can be derived from the reported Bureau of Labor Statistics (BLS) Consumer Expenditure Data by subtracting the reported average number of children, 18 or less, in the household from the household size. For example, if the average number of children for a three-person family is 1.2 then the average number of adults is 1.8. This change increases allocated consumption expenditures from the original Patton-Nelson model for an average adult when the average number of adults is less than 2 and decreases it when it is more than 2. This method was used for expenditures for alcohol, tobacco, life insurance and transportation.

In addition, Bell and Taub provide detailed arguments regarding "utilities and housekeeping supplies" while Patton-Nelson assumes that only 50% are indivisible. It is not possible to determine the exact amount of indivisible expenses in the category. However, Bell and Taub's reasoning is compelling, but with many of the costs in this category, family size will have an impact. Therefore 25% of these costs were considered divisible across the members of the household. This reduces the direct personal consumption costs of one adult. All other expenditure categories were afforded the treatment as discussed in Patton and Nelson (1991) in determining allocation to household members.

In determining the economic loss to the estate in a wrongful death claim, the forensic economist must adjust future wage loss for that portion of earnings that would have been consumed by the decedent. "Therefore, any factor or percentage, which is used in this estimation process must necessarily relate to the earnings stream and family size of the decedent" (Ruble, Patton & Nelson, 2001, p. 175). This percentage is applied to total family income to arrive at the amount of the consumption adjustment. Finally the consumption adjustment is subtracted from the future wage loss to arrive at the net economic loss to the estate.

*Respectively, Department of Accounting, College of Business, Lynnwood Center, Central Washington University, Lynnwood, WA; Financial & Economic Consultant, Bellingham, WA; Department of Economics, College of Business and Economics, Western Washington University, Bellingham, WA.

[illegible][illegible]

Exhibit 8

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Helen M. Woodard, M.A.
Rehabilitation Counselor

Rehabilitation Services, Inc.

March 19, 2009

RE: SHANNON KAY CAVANAUGH

Shannon was referred for a rehabilitation evaluation, needs assessment and preparation of a life care plan. She was seen at home with her husband and in the ReEntry Sandy, Utah office for an interview and testing, and her medical records were reviewed. Dr. Cory Frogley, Dr. Erin Bigler, and Dr. George Zinkhan provided information by telephone. Dr. Dan George provided information in written form. Additional care providers were contacted for information and additional contacts were made regarding services and costs. Labor market information was obtained as part of this assessment.

HISTORY

Shannon is a twenty-six year old married woman who lives in Woods Cross, Utah with her husband, Brad Cavanaugh, and their daughter, Keirah, four years of age. Shannon was born in Layton, Utah in 1982 and graduated from Davis High School in 2000. She attended Davis Applied Technology College (DATC) in 1999 while still in high school and completed a certified nursing assistant (CNA) course. In 2000, Shannon also completed courses in medical anatomy and physiology at DATC.

From 1999 to 2001, Shannon worked for Bountiful House as a CNA. She left in 2001 and started working at Heritage Place, still working as a CNA. Shannon remained at Heritage Place until 2002, and then started working at ABI Consulting (a drug testing company). Shannon was employed at ABI until 2003, when the company was sold. She then started working at Discover Card in the retention department and did inbound and outbound calling. Shannon remained at Discover until 2005. In 2005, Shannon started working at Blue Line Services, another drug testing company where she is presently employed. Shannon works as a drug specimen collector. Shannon performs on-site drug collections, pre-employment screening, random drug testing, and reasonable suspicion drug screening. Shannon is an independent contractor for Blue Line Services and her work hours

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vary from week to week. Shannon was off work from December 2006 through April 2007 because of the injury she sustained on December 9, 2006. Shannon reports that since the taser incident, she has worked fewer hours and less consistently.

On December 9, 2006, Shannon and her husband had a conflict at their home. Shannon left the house and walked to a park nearby. Brad stayed at home with their daughter. Shannon does not have any recollection of the incident, but understands that while she was gone, Brad called the police, as he was afraid for her safety. When Shannon returned home from the park, she was tasered by a policeman and fell backward and hit her head. She was treated at the scene by paramedics and was transported by ambulance to Lakeview Hospital for care. Shannon was treated at Lakeview and then was transferred to the University of Utah on December 9, 2006 for inpatient care. Shannon underwent a surgical procedure on December 14, 2006 and she was discharged home on December 16, 2006. Shannon presently sees a chiropractor and a headache specialist for follow-up care.

MEDICAL RECORDS REVIEW

On December 9, 2006, Dr. Matthew Feil stated that Shannon arrived via ambulance at Lakeview Hospital after she had been tasered by police at her home. Dr. Feil reported that Shannon had been having suicidal thoughts and anxiety. She was intoxicated, agitated, uncooperative, and hostile. Shannon had apparent trauma and slurred speech and reported that she had a headache. Shannon was intubated with an endotracheal tube, her c-spine was immobilized, an IV was started and medication was administered. Testing was ordered. Dr. Feil assessed Shannon with a traumatic epidural hematoma without loss of consciousness, alcohol intoxication, a scalp laceration, and a skull fracture. Shannon was transferred to the University of Utah for further care.

On December 9, 2006, Dr. Janet Lee stated in a University of Utah emergency department report that Shannon arrived via ambulance after she was tasered by police outside her home and fell and hit her head. A CT scan showed a left epidural hematoma, a right sylvian fissure subarachnoid hemorrhage, a left frontal intraparenchymal hemorrhage, and a left temporal contusion. The CT scan also showed a small focus of pneumocephali with a right-sided skull base fracture. Dr. Lee stated that Shannon needed to remain in a cervical collar and have ongoing neurological examinations. Shannon was placed on IV medication.

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Dr. Benjamin Curtis stated in a University of Utah Admission note on December 9, 2006 that Shannon had an epidural/subdural hematoma, a positive midline shift, and a laceration to the posterior scalp that was cleaned and closed with staples.

Dr. Daniel Fults stated in a neurosurgery note on December 9, 2006 that Shannon had declining levels of consciousness at the scene of the accident and was transported for emergency care. Shannon was examined in the surgical intensive care unit and Dr. Fults stated Shannon was intubated and mechanically ventilated and she had swelling and a contusion in her occipital region. Dr. Fults' impression was an intracerebral and epidural hematoma consequent to fall. Dr. Fults recommended Shannon be monitored in the surgical ICU for neurological changes.

On December 11, 2006, a psychiatric evaluation was done on Shannon at the University of Utah with illegible handwriting and an illegible signature.

Dr. Brian Miller stated on December 11, 2006 in an ear, nose, and throat consultation that Shannon reported right hearing loss with a crunching type of tinnitus. Dr. Miller assessed a right temporal bone fracture without a conductive hearing loss on exam and recommended a hearing test to evaluate subjective hearing loss.

On December 14, 2006, Dr. Fults performed a right temporal craniotomy for evacuation of an epidural hematoma. Shannon's post-operative diagnosis was a right temporal epidural hematoma. Dr. Fults noted that Shannon had been observed for the past few days and continued to have a headache. A repeat CT scan showed an increase in the right temporal epidural hematoma and midline shift and surgery was performed to resolve this issue.

Dr. Fults stated in a discharge summary on December 16, 2006 that Shannon's principal diagnosis was an epidural hematoma. Shannon had a craniotomy and was transferred to the neurosurgery floor. She received daily physical and occupational therapy. Dr. Fults discharged Shannon home with medication and instructions for follow-up care.

An emergency room record from University of Utah with an illegible signature stated that Shannon was seen on December 20, 2006 for a headache. She was diagnosed with acute cephalgia status post subdural hematoma. She was given IV medication for pain. Shannon was discharged home with care instructions and medication prescriptions.

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On December 27, 2006, Dr. Todd Ashby stated that he removed staples from Shannon's craniotomy procedure.

Dr. Fults stated on January 8, 2007 that Shannon was seen for a post-operative visit. Dr. Fults noted that Shannon had a ligamentous injury subsequent to the fall that affected her cervical spine demonstrated by T2 signals in the posterior cervical musculature and interspinous ligaments as seen on an MRI scan. Shannon reported that she was having headaches and dizziness, as well as intermittent pain in her lower back that radiated into her buttocks on the right side. Shannon also reported that she had moderate neck stiffness. Dr. Fults recommended outpatient physical therapy to increase her neck mobility and upper body strength, as well as focusing on her lower spine.

Dr. Cory Frogley, chiropractor, stated in an initial exam on January 9, 2007 that Shannon reported neck and back pain and moderate headaches that occurred frequently. Shannon reported that her neck pain restricted her movement and the pain radiated into the posterior right cervical area, the posterior right upper shoulder, the right deltoid area, and the right medial upper thoracic region. Her neck pain increased with coughing, looking down or up, stress, and repetitious movements. Shannon's back pain was intermittent and increased with fatigue. Dr. Frogley diagnosed Shannon with a neck sprain, neuralgia, neuritis, unspecified radiculitis, a thoracic sprain, lumbago, and lumbar facet syndrome.

On January 10, 2007, Dr. Frogley performed a detailed single system musculoskeletal examination and did an adjustment with some improvement and motion in Shannon's mis-alignment at L5. Shannon received chiropractic care from January 10, 2007 through December 13, 2007.

On February 1, 2007, Dr. Frank Warren III stated in a letter that he had evaluated Shannon for her right temporal bone fractures. Shannon reported that she had vertigo with distinct spinning and this occurred with or without movement. Shannon also reported she had some high pitched tinnitus in both ears but no distinct hearing loss. Dr. Warren felt that Shannon's vertigo was possibly explained by benign positional vertigo. Dr. Warren recommended that Shannon see him as needed.

Dr. Fults stated on February 12, 2007, that Shannon had headaches that were episodic and had characteristics of migraines. Dr. Fults' impressions of Shannon were headaches, probably related to migraine syndrome rather than consequent to her head injury, ligamentous

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injury of the cervical spine consequent to the fall, and low back pain consequent to the fall. Dr. Fults prescribed medication and stated he would see Shannon as needed.

On May 3, 2007, Dr. Kevin Call stated that Shannon was evaluated for her headaches. Shannon reported that she had developed headaches since her injury on December 9, 2006. Shannon's headaches began in the occiput or base of the skull and radiated through the retro-orbital area bilaterally, greater on the right than the left. Shannon stated she had aura, with visual changes (seeing black dots) in the upper right quadrant of her vision, for up to 30 minutes prior to headache onset. She became nauseated and vomited, and experienced photophobia, phonophobia, and diplopia with the headaches. She reported becoming irritable when she got a headache and she was intolerant to cold temperatures. Shannon also reported paroxysms of a swimming sensation in her head once to twice a month but not necessarily with motion. Dr. Call stated that Shannon had a history of headaches that began her junior year of high school and were occipital in nature and were likely tension headaches. Dr. Call stated that Shannon had a traumatic brain injury with an epidural bleed in December of 2006 and noted that Shannon's headache symptoms met the classifications for migraine headaches. Dr. Call prescribed medication to treat the headaches and establish appropriate sleep patterns. Dr. Call stated that Shannon's epidural bleed would be managed by Dr. Fults.

Dr. Call reported in a medical record on October 18, 2007 that Shannon was seen for follow-up regarding her headaches. Shannon reported that her new medication decreased her headache intensity but she continued to have frequent headaches. She had a headache one to two times a week which lasted most or all day. The headache pain was a pressure sensation with a left-sided throbbing component. Shannon reported occasional nausea, light and sound sensitivity, scotomata, temperature intolerance, difficulty sleeping, and muscle aches. Dr. Call assessed continuing headaches and discussed the possibility of increasing medication or trying other medications. He recommended follow-up care.

On October 7, 2008, a note from Community Chiropractic and Wellness Group with no signature stated that Shannon reported neck pain, headaches, and lower back pain. Her headaches and neck pain occurred at least twice a week. Shannon was diagnosed with cervical segment dysfunction, laxity of ligaments, thoracic segment dysfunction, lumbar segment dysfunction, sacral segment

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dysfunction, and hypolordosis. Shannon received chiropractic care from October 7, 2008 through February 11, 2009.

On November 11, 2008, Dr. James Snyder and Dr. Erin Bigler stated in a neuropsychological evaluation that Shannon reported daily headaches, reduced concentration and motivation, memory difficulty, irregular bowels, and intermittent depression since she sustained the moderate traumatic brain injury on December 9, 2006. Dr. Snyder and Dr. Bigler performed a records review and administered neuropsychological testing, and it was their impression that Shannon sustained a moderate traumatic brain injury with positive neuro-imaging findings indicative of structural brain damage.

On July 10, 2008, Dr. George Zinkhan stated that Shannon was seen for follow-up regarding her headaches. Shannon reported that the frequency of her headaches increased to three to five times a week. Shannon reported that she had been training for a marathon and after she finished running, she developed a migraine headache about an hour and a half later. Shannon stated that her migraines began at the back of her skull on the left side and radiated bilaterally to the retroorbital area. She had nausea, vomiting, photophobia, and phonophobia with her headaches, as well as an aura of upper quadrant black dots in her vision that occurred thirty minutes prior to her headache onset. Shannon stated that she woke frequently during the night and was concerned her migraine medication was making her irritable. Dr. Zinkhan assessed migraine headaches that were poorly controlled. He prescribed medication for Shannon, adjusted her current medication, and advised her about establishing good sleep habits.

PROVIDER/EMPLOYMENT CONTACTS

Dr. Cory Frogley stated in a telephone conversation on February 23, 2009 that Shannon was being seen for injuries she sustained in the taser incident. Dr. Frogley was treating Shannon for neck and back pain, and headaches. Shannon was seen originally three times a week for eight to twelve weeks, and then the frequency of sessions was reduced. Dr. Frogley stated that Shannon had not been seen recently and he would need to re-evaluate her to make recommendations for care.

On February 24, 2009, Dr. Bigler stated in a telephone conversation that Shannon underwent a full neuropsychological evaluation with testing in November of 2008. Shannon had difficulties with visual memory problems. Shannon sustained a significant traumatic brain injury in December of 2006.

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She has recovered well in many areas, but temporal lobe injuries tend to cause more emotional difficulties than cognitive difficulties and this is the area where Shannon is having the most difficulty. She reports headaches, reduced concentration, motivation, and memory, as well as depression. These difficulties are all likely related to her traumatic brain injury. Shannon's headaches are especially debilitating. Shannon's condition is likely permanent and as she ages emotional issues (including motivation and depression) will increase. Shannon needs psychiatric care with medication management and psychological counseling with a clinical psychologist or a neuropsychologist. Shannon will initially need these services to establish therapeutic goals and then she will likely need ongoing services to life to maintain her condition. Shannon will need to have 1 to 2 neuropsychological evaluations over the next 1 to 2 years to evaluate her recovery. She will then benefit from a neuropsychological evaluation done later in life as she is more likely to develop dementia and post-traumatic epilepsy because of the brain injury. Shannon will likely need a job that uses her established skills. If her job changes or she needs to move into a new vocation, she will need skills training and vocational rehabilitation services.

Ms. Kate Webb, Shannon's supervisor at Blue Line Services, stated in a phone call on March 5, 2009 that Shannon is a contracted employee. Shannon is responsible for having client paper work filled out, going to test sites and collecting urine samples from clients, and then shipping the samples for testing. Her job requires both sitting and standing. Shannon works on average 5 to 10 hours per week, but the hours increase when Blue Line Services is busy. She makes \$300 to \$500 per month (she is paid per test), but if she works more, she will make more money. Ms. Webb stated that since the taser incident in December of 2006, Shannon is often unable to go collect drug samples when called because of her severe headaches. Ms. Webb stated this happens on a monthly basis. Ms. Webb also reports that she has to remind Shannon about her work schedule and the hours she is scheduled to work because she often forgets.

On March 10, 2009, Dr. Dan George, chiropractor, stated in a letter that Shannon presented to his office on October 7, 2008 with neck pain and associated headaches, and lower back pain that began following a taser incident on December 9, 2006. Shannon reported that she had sustained a brain injury from the taser incident, but Dr. George stated he has not treated Shannon for this. Dr. George stated that Shannon has undergone a conservative course of

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chiropractic care for the treatment of the strain/sprain that is complicated by laxity of ligaments, hypolordosis of the cervical spine, cephalgia, and cervical segmental dysfunction. Shannon's current treatment plan is a chiropractic visit one time per month, and this should be continued for 12 months. Dr. George recommended that Shannon be seen as needed for increased episodes of pain caused by her normal activities, that will be brought on by the accelerated degenerative changes caused by the traumatic injury. Dr. George stated that any future care would be considered palliative in helping Shannon deal with the pain and discomfort that affect her standard of living. Due to the excessive motion in Shannon's neck caused by the taser incident, Shannon should avoid any activities that cause a strain in the cervical region of her spine. These activities may include and are not limited to wearing helmets, riding roller coasters, snowboarding, etc. Dr. George states that in his professional opinion, Shannon's injuries are permanent in nature.

On March 10, 2009, Dr. Zinkhan stated in a telephone conversation that he follows Shannon for her migraine headaches that started after a December 9, 2006 taser incident. Shannon needs to be seen every 6 months to year for follow-up care to life and her medications (Topamax and Imitrex) are life-long needs. Dr. Zinkhan stated that Shannon's migraine headaches are a chronic condition.

CONTACTS

On March 10, 2009, Ms. Suzanne Brown, Shannon's mother-in-law, stated in a telephone conversation that since the taser incident, Shannon has a shorter attention span and is restless. She often has headaches, and when visiting she often rests. If the headache is severe, Shannon goes home. Ms. Brown stated that Shannon has left various parties and social functions to go home due to her headaches and she always has her medications with her. Ms. Brown stated that Shannon asks for help often in taking care of her daughter due to her headaches and she has not been able to work as much since the taser incident.

On March 10, 2009, Ms. Jane Bodily, Shannon's sister, stated in a telephone conversation that Shannon's personality is different since the taser incident. She is more irritable and her irritability increases in social situations. Shannon's headaches are severe and she has one constantly. The family is often helping take care of Shannon's daughter when she has severe headaches.

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Shannon is more forgetful since the taser incident. She has difficulties remembering time and often does not arrive on time to events or work. She also has difficulties multi-tasking and when she is overwhelmed, she becomes frustrated. Ms. Bodily stated that before the taser incident, Shannon was able to function well. Since the incident, she has difficulties functioning in daily activities, taking care of her daughter, and completing her job.

Ms. Amy Weruli, Shannon's friend, stated in a telephone conversation on March 10, 2009 that since the taser incident, Shannon has constant and severe headaches. Shannon needs medications to control the headache so she is able to function on a daily basis.

CURRENT STATUS

Shannon states that before the accident, she did not have headaches, but since the accident, she has a headache every day and experiences a migraine at least twice a week. Shannon reports she has pain over her scar on her head when she brushes her hair. Shannon sees a chiropractor and a headache specialist, and a massage therapist for treatment of injuries related to the accident. Prior to the accident, Shannon reports that she slept well. Now, she has insomnia and her headaches wake her up one to two times a week. She sleeps on a special pillow that supports her head and states she needs to nap during the day but usually cannot do this because she is taking care of her daughter.

Shannon reports that before the accident, she was able to drive or ride in a car without difficulties. Since the accident, she has difficulties while driving or riding in a car. She cannot sit for very long at a time and she needs to walk around and stretch. Shannon states she now has problems focusing while driving and she often forgets where she parks her car in the parking lot. She now uses a cell-phone with a GPS system to aid her.

Prior to the accident, Shannon performed all of the basic cooking and cleaning tasks around her home, as well as performing organizing tasks. She also was able to do yard work. Since the accident, Shannon states that she has trouble starting tasks. The household tasks are overwhelming, and the up and down movements of cleaning (mopping, dusting, bending, scrubbing, etc.) cause increased headaches. Shannon still does some yard work, but she reports the tasks take longer to complete.

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Shannon exercised often before the accident. She participated in sports and enjoyed jogging outdoors or running on a treadmill. She went to the gym often and lifted weights regularly. Since the accident, Shannon reports that exercising triggers her migraines. When she runs, she gets headaches and so she does not go to the gym very often.

Before the accident, Shannon reports that she had good relationships with family members and friends. She went tent camping, snow skiing, boating, and water skiing. She enjoyed going on vacations and she and her family members and friends went to amusement parks. Shannon states that she went to friends' houses to visit and spend an evening out. Since the accident, she does not travel anywhere without bringing her medications. She has not gone camping, boating, or water/snow skiing since the accident. When she does go to an amusement park, she rides the kiddie rides.

Shannon and her husband had planned to have another child, but have put this off since her accident.

VOCATIONAL TESTING

The following are tests Shannon was given and the scores she attained. The achievement test results are reported as grade levels, and the aptitude testing is reported as percentile levels, where the norm group used for comparison is given. The score is then read as a ranking out of 100, where Shannon's percentile rank can be read, "scored higher than 'X' out of 100" in this norm group with "1" being the lowest rank and "99" being the highest rank.

Achievement Testing

Tests of Adult Basic Education

Reading	11.1 grade level
Mathematics Computation	7.5 grade level
Spelling	10.8 grade level

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Aptitude Testing

The Bennett Mechanical Comprehension Test measures the ability to perceive and understand the relationship of physical forces and mechanical elements in practical situations.

Scores By Industry

Manufacturing/Production
Percentile Rank

20

Flanagan Industrial Test - Coordination is a test of an individual's speed and accuracy in following a path with a pencil.

Entering First Year Students at One University
Percentile Rank

52

The PTI Oral Directions Test assesses an individual's ability to follow instructions presented orally.

Inspectors at a Southern Bearings Manufacturer
Percentile Rank

85

The Revised Minnesota Paper Form Board Test measures the capacity to visualize how two-dimensional objects would look if they were fitted together.

Vocational Rehabilitation Clients - Various Occupations

A Western Center
Percentile Rank

90

The SRA Nonverbal Form measures general abstract reasoning ability. It requires the individual taking the test to decide which one picture in a group of five pictures does not belong. No reading is required.

Industrial Norms
Percentile Rank

31

The SRA Verbal Form measures the ability to accurately complete questions and problems of varying kinds.

Secretaries
Percentile Rank

35

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Dexterity

The Bennett Hand-Tool Dexterity Test assesses proficiency in using common hand tools, including a screwdriver, wrenches, and an adjustable wrench.

Employees and Applicants in a Manufacturing Company
Percentile Rank 65

The Crawford Small Parts Dexterity Test is a performance test designed to measure fine eye-hand coordination and consists of two parts. Tweezers are used to place pins/collars in the first section of the test, and a small screwdriver is used to place small headless screws in the second section.

FEMALE NORM GROUP

Assembly Job

Percentile Ranks

Pins/Collars	64
Screws	43

The Minnesota Rate of Manipulation is a test of manual dexterity. The test involves doing a variety of different movements using one hand or both hands to manipulate small round objects.

The Turning Test

Percentile Rank	85
-----------------	----

The One-Hand Turning and Placing Test

Percentile Rank (Right)	77
-------------------------	----

Percentile Rank (Left)	80
------------------------	----

Two Hand Turning and Placing Test

Percentile Rank	40
-----------------	----

Placing Test

Percentile Rank (Right)	93
-------------------------	----

Percentile Rank (Left)	90
------------------------	----

Displacing Test

Percentile Rank (Right)	98
-------------------------	----

Percentile Rank (Left)	98
------------------------	----

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The Purdue Pegboard measures fine finger dexterity. Small pegs, brads and collars are placed in the pegboard.

General Industrial Percentile Ranks	
Right	10
Left	40
Both	17
Total	19
Assembly	26

CONCLUSIONS

Shannon sustained a brain injury when she was tasered in front of her home and fell, hitting her head. She was hospitalized for treatment of a subdural hematoma, which required surgery. Since her release from the hospital, she has had severe headaches which occur frequently, and for which she takes migraine medication. She also has chronic neck and upper back pain which is treated by the chiropractor. These problems interfere with her ability to care for her child, and to do her usual household tasks. The headaches are a particular problem in this area, and she calls on her family to help with child care on a frequent basis, so that she can try to manage her headache pain. We have recommended in the attached life care plan that Shannon address these issues by having some paid assistance with child care, and by having regular help with the heavier housework. In addition, because organization is problematic for her, it will also likely be useful for her to have periodic help with household organization.

Shannon is also having substantial difficulty in returning to her usual social and recreational activities, although she is attempting to get back to the things she used to do. She does leave family gatherings due to increased headache pain and other pain, and she is not able to do the more physically demanding things she did prior to the injury.

Shannon has returned to the work she was doing at the time of the injury, and she is able to set her own hours. She and her supervisor note that Shannon is working fewer hours now. Shannon has indicated that increasing her hours by much at this point is not practical because she has such severe headaches which are not controlled with her medications. She had expected to eventually be able to work full time, but since the injury, this does not seem realistic. Shannon would likely have difficulty in being at work and remaining at work through the severe headaches, and this lack

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of reliability is likely to create significant problems for her in a full time work environment. Her present work situation, where she is able to set her own hours and does not work full time is likely a better long term work situation for her.

Most employers do not provide sick leave to part time employees, and employers who do provide sick leave to full time employees allow about five to twelve days a year for this unscheduled leave. For the most part, they require employees to work the hours they are scheduled to work, be productive during that time, and not leave work due to health problems. Shannon is likely to have significant difficulty in doing this.

In addition to the problems posed by the headaches, Shannon also has difficulties due to the neck and upper back problems she has had since the taser incident. These problems are likely to restrict her from doing work where she sits for extended periods of time to do computer or paper work, or doing work where she does repetitive reaching or lifting. These difficulties are likely to significantly reduce the types of work she is able to do. The other difficulties associated with the brain injury, which are primarily visual memory difficulties, and emotional difficulties, also pose additional issues in employment in the longer term. These are characterized by Dr. Bigler as problems with depression and motivation. These generally make initiating tasks and following through with them to completion more effortful and problematic, and so impact the kinds of work Shannon is likely to be able to do in the future.

These problems also create significant difficulties for her in managing her childcare responsibilities, and in keeping up with her usual household tasks. We have provided in the life care plan for services to help her in this regard. Costs are for services provided through an agency, and so include the costs of recruiting, hiring, screening, and doing payroll.

Shannon will benefit by having case management services to help her deal with problems with medical and care provider billings, make sure she follows through with recommended treatment, and helps her to arrange for appropriate services. The life care plan provides for the costs of these services.

The life care plan was prepared after contacts with Shannon and her husband, various other individuals who know her, current providers, and with Dr. Bigler, the neuropsychologist. Costs are for the Salt Lake City and surrounding area and are in today's costs with no

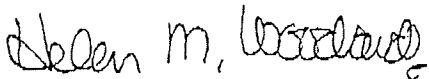
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regard for inflation. If additional information is received, or if Shannon's circumstances change substantially, the report and life care plan may be supplemented. In addition, follow up contacts may yield additional information which may require a supplemental report.

She spends considerable time over the course of a month resting during headaches and trying to sleep so that they will be gone when she awakens. This creates problems for her in child care.

If you have questions, please call.

Respectfully submitted,



Helen M. Woodard, M.A.
Rehabilitation Counselor



Stephanie Birely, B.S.
Rehabilitation Counselor

Original: Kathleen McDonald, Attorney

PRELIMINARY LIFE CARE PLAN
SHANNON CAVANAUGH
March 19, 2009

MEDICAL CARE

Headache Specialist

\$250 to \$300 per visit
1 to 2 times a year, to life
Annual Total: \$250 to \$600

Chiropractor

\$50 to \$90 per visit
1 visit per month, for 12 months
Total: \$600 to \$1,080

then 4 to 6 visits per year as needed
Annual Total: \$200 to \$540

Per Dr. George, after 12 months of chiropractic visits, Shannon will need to be seen on an as needed basis for episodes of pain. This will be a lifelong or indefinite need.

Psychiatry Initial Evaluation

\$175 to \$205
One Time Cost: \$175 to \$205

Psychiatry Sessions: \$150 to \$170

Frequency and duration to be determined after initial evaluation.

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Shannon Cavanaugh Life Care Plan
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MEDICATIONS AND SUPPLIES

Prescription Medications

Imitrex

Topamax

Annual Total: \$6,210 to \$7,088, to life

COUNSELING

Psychological Counseling Evaluation: \$185 to \$220

One Time Cost: \$185 to \$220

Psychological Counseling Sessions

\$110 to \$135 per hour

24 to 36 hours per year for 1 to 2 years

Annual Total: \$2,640 to \$4,860

then 12 sessions per year, on average, thereafter

Annual Total: 1,320 to \$1,620

CASE MANAGEMENT SERVICES/ADVOCACY

\$75 to \$100 per hour

5 to 10 hours per year, to life

Annual Total: \$375 to \$1,000, to life

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Shannon Cavanaugh Life Care Plan

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EVALUATIONS

Neuropsychological Evaluation: \$1,300 to \$2,100

1 to 2 evaluations over the next 1 to 2 years

One Time Total: \$1,300 to \$4,200

Per Dr. Bigler, as Shannon ages she will be more likely to develop dementia and post traumatic epilepsy. She will need to have a neuropsychological evaluation to establish a baseline, between age 55 and 65.

One Time Cost: \$1,300 to \$2,100

VOCATIONAL REHABILITATION

Vocational Rehabilitation, including assessment and counseling

1 to 2 times over next 5 to 15 years

\$2,000 to \$3,000 each episode

Child Care Services or Preschool (through age 5)

\$10 to \$12 per hour

12 to 16 hours per week

Annual Total: \$6,240 to \$9,984, duration depending on number of children

Organizational Services

Annual Total: \$200 to \$300 per year, to life

03/19/2009 13:28 IFAX slcfax1@joneswaldo.com
MAR-19-2009(THU) 14:15 ReEntry Rehabilitation

transfer
(FAX)303 237 3705

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THERAPIES

Massage Therapy Sessions
\$75 to \$125
1 time per week for next 12 months
Annual Total: \$3,900 to \$6,500

Then reevaluation and additional sessions on an as-needed basis

EQUIPMENT

<u>Equipment</u>	<u>Cost</u>	<u>Replacement (to life</u> <u>Unless otherwise noted</u>
Specialized Pillow	\$50 to \$85	Every 1 to 2 years
Memory Foam or Other Comfortable Mattress	\$1,100 to \$2,800	Every 10 years
Organizational/Memory Tools (Calendars, notepads, etc.)	\$200 to \$300	Annually
GPS System	\$200 to \$450	Every 3 to 5 years

03/19/2008 13:26 IFAX slcfax10@joneswaldo.com
MAR-19-2009(THU) 14:15 ReEntry Rehabilitation

* transfer
(FAX)303 237 3705

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REPLACEMENT SERVICES

House Cleaning Services

\$35 to \$40 per hour, 2 to 3 hours per week, to life

Annual Total: \$3,640 to \$6,240

Nanny/Child Care Services

\$12 to \$18 per hour

6 to 8 hours, 2 to 3 times per week through youngest child's age 6 (start of full-time school)

Annual Total: \$7,488 to \$22,464

Exhibit 9

Lone Peak Valuation Group**Shannon Cavanaugh****Estimated Daycare Costs****03/31/09****Exhibit 9**Growth Rate of child care¹:

4.63%

Shannon returns to work full-time:

8/1/2008

Keirah's 12th birthday:

1/27/2017

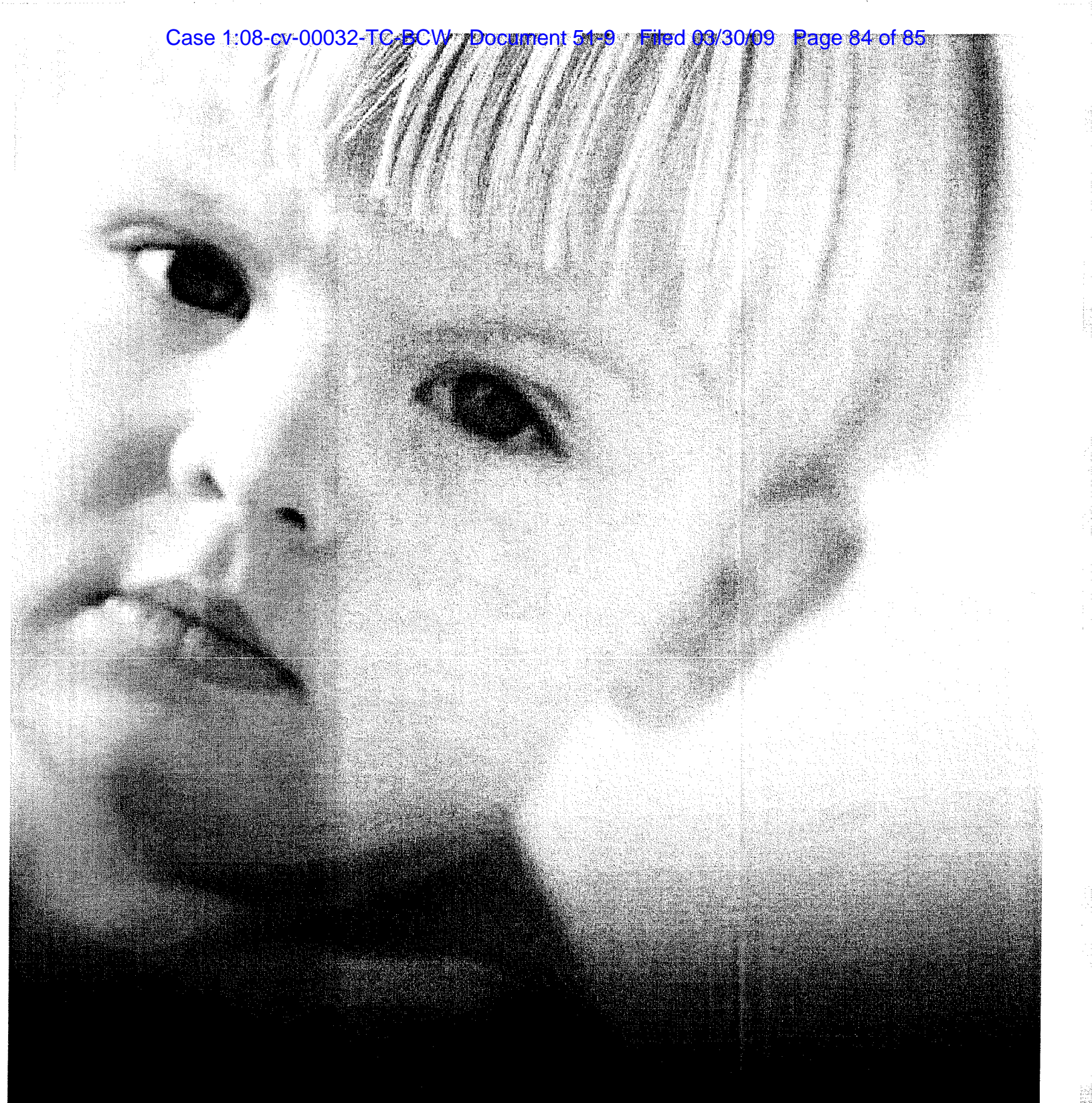
Year	Age of Child as of August each year	Annual Cost For Care ²	Months of Required Care ³	Total	PV Period	PV
2008	3.5	\$6,768	5	\$2,820	0.00	\$2,820
2009	4.5	5,650	12	5,650	0.38	5,572
2010	5.5	5,911	12	5,911	1.25	5,649
2011	6.5	3,807	12	5,392	2.25	4,969
2012	7.5	3,983	12	3,983	3.25	3,539
2013	8.5	4,167	12	4,167	4.25	3,571
2014	9.5	4,360	12	4,360	5.25	3,603
2015	10.5	4,562	12	4,562	6.25	3,635
2016	11.5	4,772	12	4,772	7.25	3,667
2017	12.0	4,993	1	416	8.25	308
				\$42,033		\$37,333

1 - See Exhibit 7

2 - Source: Ibid, Table 5: Average Monthly Child Care Center Prices and Median Monthly Housing Costs by State

3 - Assumes full-time care to 7/31/2011 and School-Age care after 8/1/2011

Exhibit 10



PARENTS AND THE HIGH PRICE OF CHILD CARE

2008 Update



Detail Table 5. Average Monthly Child Care Center Prices and Median Monthly Housing Costs by State

State	Average Child Care Prices				Median Housing Costs**	
	Infant	4-year-old	School-Age	Two Children*	Rent	Mortgage
North Carolina	\$650	\$563	NA	\$1,213	\$656	\$1,144
North Dakota	\$547	\$479	NA	\$1,026	\$497	\$1,043
Ohio	\$553	\$449	\$405	\$1,002	\$627	\$1,216
Oklahoma	\$518	\$440	\$326	\$958	\$580	\$971
Oregon	\$749	\$540	\$295	\$1,289	\$714	\$1,412
Pennsylvania	\$933	\$567	NA	\$1,500	\$664	\$1,271
Rhode Island	\$789	\$650	\$585	\$1,439	\$840	\$1,707
South Carolina	\$503	\$455	\$208	\$958	\$640	\$1,055
South Dakota	\$624	\$520	\$416	\$1,144	\$522	\$1,076
Tennessee	\$514	\$453	\$285	\$967	\$613	\$1,072
Texas	\$620	\$483	\$340	\$1,103	\$711	\$1,309
Utah	\$564	\$450	\$277	\$1,014	\$697	\$1,294
Vermont	\$623	\$588	\$564	\$1,211	\$716	\$1,342
Virginia	\$758	\$598	\$282	\$1,356	\$846	\$1,540
Washington	\$1,000	\$734	\$420	\$1,734	\$779	\$1,573
West Virginia	\$500	\$380	\$360	\$880	\$499	\$853
Wisconsin	\$1,029	\$877	\$622	\$1,906	\$658	\$1,338
Wyoming	\$597	\$521	\$253	\$1,118	\$601	\$1,059

NA: Not available

*One infant and one 4-year-old child

**American Community Survey 2006, U.S. Census